

VOL 15 | Issue 1
Spring / Summer 2023

PEAR

YONSEI JOURNAL OF INTERNATIONAL STUDIES
PAPERS, ESSAYS, AND REVIEWS

**Emotions and South
Korea-Japan Relations**

Sean Lee Starkweather

**Exploring the "pyonghattan" Elite:
A Glimpse into their Lives
and Prospects in a United Korea**

Liam Vincent Quinn

**Balancing Inflation and Climate Action:
Achieving a Sustainable Future**

Liam Vincent Quinn

WITHIN & BEYOND
THE PENINSULA

**Sharp But Passive:
The Case of South Korean Pop Culture's
Cyber Influence in China**

Jun Kyu Baek

**Repatriation Politics: US-North Korea
Relations and the Repatriation of
American Soldiers' Remains**

Sophie Koritz

**Interview with Young Kyung Ko:
Venture Partner at
The Invention Lab**

YJIS Junior Editors

Graduate School of
International Studies,
Yonsei University

**YONSEI UNIVERSITY
PRESS**



PEAR

PAPERS, ESSAYS, AND REVIEWS

Yonsei Journal of International Studies

Graduate School of International Studies, Yonsei University

EDITOR IN CHIEF

Aldrin Joseph Aldea

STAFF EDITORS

Vanessa Le

Lo Wing Tung Bonnie

Liam Quinn

JUNIOR STAFF
EDITORS

Tyler Nguyen

Deepanshi Sharma

The **Graduate School of International Studies** is part of Yonsei University in Seoul, South Korea, and was established in 1987 as a pioneer of professional studies programs in Korea specializing in Korean Studies, International Cooperation, and International Trade, Finance, and Management.

Copyright © 2023

Yonsei Journal of International Studies

All Rights Reserved.



YONSEI
UNIVERSITY

PEAR

PAPERS, ESSAYS, AND REVIEWS

Yonsei Journal of International Studies

Graduate School of International Studies, Yonsei University

VOLUME 15

ISSUE 1

SPRING / SUMMER 2023

CONTENTS

Letter from the Editor 5

Aldrin Joseph Aldea

Meet the Contributors 9

Author Biographies

PAPERS & ESSAYS

Emotions and South Korea-Japan Relations 14

Sean Lee Starkweather

Sharp But Passive: The Case of South Korean Pop Culture's Cyber Influence in China 36

Jun Kyu Baek

Exploring the "Pyonghattan" Elite: A Glimpse into their Lives and Prospects in a United Korea 57

Liam Vincent Quinn

Repatriation Politics: US-North Korea Relations and the Repatriation of American Soldiers' Remains 74

Sophie Koritz

Balancing Inflation and Climate Action: Achieving a Sustainable Future 86

Liam Vincent Quinn

INTERVIEW

**Interview with Young Kyung Ko: Venture Partner
at The Invention Lab**

102

YJIS Junior Staff Editors

LETTER FROM THE EDITOR

The Korean Peninsula has been in the news for decades, although the focus of media coverage often painted the region as a potential flashpoint for war due to North Korea's nuclear weapons program and the threat of military conflict between the North and South. While this arguably remains the dominant perspective in discussions of inter-Korean relations, there has been a growing focus on the possibility of peace and reunification on the peninsula. Moreover, while the volatile relationship of the two Koreas remains one of the most pressing issues in international relations, their foreign policies as individual states merit the same amount of attention and discussion, especially considering the engagement of major powers such as China, Japan, and the United States.

This issue of the PEAR Journal aims to shed a different light on inter-Korean relations and some of the foreign policy issues they face individually. Deviating from the "mainstream" perspectives utilized in academic discussions, this issue aims to offer some insights into the prospect for reunification of the two Koreas taking into account the North Korean "Pyonghattan" elite, as well as the prospect for bilateral cooperation between North Korea and the US through repatriation efforts. Furthermore, common topics such as South Korean soft power and South Korea's diplomatic relationship with Japan are examined under a different lens, focusing on the role of emotions and "passive cyber influence." This issue also features a paper on striking a balance between fighting inflation and pursuing climate actions—a pressing concern not only on the peninsula but on a global scale. Lastly, the interview section features Dr. Young Kyung, a researcher, professor, and expert in business and finance. Dr. Ko shares some insights from her latest book, which documents major corporations in the ASEAN and Indian region, and her thoughts on South Korea's economic relationships and business prospects.

I hope our readers find these articles to be informative and thought-provoking, allowing them to have a fresh perspective on the current situation in and between the two Koreas, which is a result of a complex interplay of historical, cultural, political, and economic factors within and beyond the peninsula.

Finally, I would like to extend my gratitude to our staff editors, Vanessa Le, Lo Wing Tung Bonnie, and Liam Quinn, who have recently completed their master's studies. Thank you for your dedication and

commitment to the success of this edition. It was a pleasure working with you these past three semesters and I hope you find success in all your future endeavors. To our junior staff editors, Tyler Nguyen and Deepanshi Sharma, thank you for your tireless work and support. You both are indeed valuable additions to the team, and I am excited to see what you accomplish in the future.

To our contributors, thank you for trusting us with your work. I am confident that this collaboration will be a positive step forward in your journey in the academe or any field you choose.

Aldrin Joseph Aldea

Editor-in-Chief

MEET THE CONTRIBUTORS

Sean Lee Starkweather

s.strkwthr@gmail.com

Sean Lee Starkweather is a fourth year student at James Madison University majoring in International Affairs with a minor in Asian Studies. He has spent time in both Japan and South Korea—where he has lived for a total of four years—with one year being spent as an exchange student at Yonsei University. Sean has also published papers on Japanese and German national identity as well as US foreign policy towards Taiwan, and presented research at conferences organized by the Midwest Political Science Association, the London School of Economics, and Johns Hopkins University. He seeks to continue researching the intersection of identity and security in the context of East Asia.

Jun Kyu Baek

junkyub@gmail.com

Jun Kyu Baek is a master's student of Global Affairs and Policy at the Graduate School of International Studies, Yonsei University. His research interests include great power politics, international order, and East Asian geopolitics and strategy.

Liam Vincent Quinn

lquinn6672@gmail.com

Liam Vincent Quinn is a master's student at the Yonsei Graduate School of International Studies in Seoul, majoring in Global Strategy and Management. He obtained a degree in Philosophy from King's College London in the UK.

Sophie Koritz

smk298@georgetown.edu

Sophie Koritz was born and raised in a small town 50 miles west of St. Louis, Missouri, US. Growing up attending barbecues and parades held by the local military veteran organizations, she developed an interest in how the military, specifically the US military, impacts culture and perspective. With this interest in mind, she double-majored in Government and Justice & Peace Studies at Georgetown University in Washington, DC. She is currently working toward a masters in Global Affairs and Policy at Yonsei University in Seoul, South Korea.

PAPERS & ESSAYS

Emotions and South Korea-Japan Relations

Sean Lee Starkweather

(James Madison University)

This article seeks to determine the role which emotions play in the foreign policy outcomes between South Korea and Japan. In line with the contemporary shift away from viewing states as “black boxes,” the recent expansion of psychological inquiry into foreign policy decision-making (FPDM) has introduced a wide range of new lines of inquiry into how certain policy outcomes are impacted by heuristics, analogical reasoning, and other cognitive shortcuts. However, much of the research has been centered on how human cognition impacts the decision-making process; of more limited interest has been the role of human affect. Using the ongoing South Korea-Japan trade dispute as a case study, this analysis serves to assess official public communications between the Korean and Japanese governments through discourse analysis and reveals the emotional elements within the decision-making processes and its effect on the origin and escalation of the trade dispute in 2018 and 2019. This study finds that emotions have a significant impact on how policymakers perceive one another and how issues are framed, thereby helping determine the viability of certain policy options. Emotions played a role large enough to compel South Korea and Japan to engage in trade conflict despite having a mutual interest in deep cooperation on regional security issues.

Introduction

A continuing pattern in the contemporary study of international relations (IR) has been a departure among scholars from viewing the state as a “black box,” operating as a rational, unitary actor in international politics, back towards accepting the assumption of the importance of sub-state forces—including individuals as a valuable unit of analysis—and thereby

analyzing sub-state variables. One of the more interesting directions this analytic shift has taken has been the incorporation of cognitive and social psychology into theoretical and empirical analysis of state behavior in IR. Advances in the cognitive sciences and social psychology have allowed IR scholars to theorize a historically persistent yet under-valued theme: the role that emotions play in foreign policy decision-making (FPDM).¹ Positively, this trend has led to the growth of behavioral IR and given constructivist and discourse analyses a new variety of tools and insights with which to work, in turn providing new models of emotional decision-making to help explain foreign policy outcomes.² Recent work by political scientists such as Karen E. Smith has sought to advance a framework in this area through case studies of FPDM in the EU.³

To further this new direction in IR and assess its universality, it is appropriate to test the universality of Smith's framework by applying it in other regional contexts. Indeed, one of the characteristics (and limitations) of this line of research has been that much of it remains confined to case studies of American and European instances of FPDM.⁴ In contrast with Western European politics, which has remained along with the US as the primary regions of focus for those studying emotion in politics, East Asia is a unique arena with its own distinct characteristics. In particular, the open display of affect is more permissible in East Asian international relations. As Smith points out, a driving principle behind the EU as a "meeting regime" was the management of emotion.⁵ Thus, while policymakers in the West prefer to characterize their political behavior as "rational," many Korean and Japanese commentators perceive politics as leaving space for both affect and rationality—one Korean observer even described Koreans as "emotional with rational reasons."⁶

More broadly, both South Korea and Japan have viewed the other as behaving emotionally towards them and attribute the inability to develop more friendly relations to such emotions.⁷ In this sense, the relationship between the two states today is reminiscent of Europe before the twentieth century, where long-lasting rivalries and negative perceptions greatly shaped the foreign policies of each political entity. Furthermore, while Smith's analysis of EU decision-making relies heavily on intergroup emotions theory to assess EU institutions, whereby she argues that external events can provoke a powerful and shared emotional response that pushes the actors to collectively take action, it is useful to consider the applicability of social identity theory

in East Asia, where the role of an in-group out-group bias can also be examined. Currently, only two international relations scholars, Karl Gustafsson and Todd H. Hall, have investigated the role of emotions in foreign policy within the East Asian context through a case study of the “history problem” in the relationship between China and Japan.⁸ Other political scientists have focused on European politics, with Michelle Pace and Ali Bilgic applying emotions-based models to EU politics in the Middle East, and others such as Tuomas Forsberg and Deborah Welch Larson examining specifically Russian foreign policy.⁹

While Smith, Pace, and Bilgic applied their frameworks in the context of an intergovernmental organization (IGO)'s FPDM, and while Hall focused on the Sino-Japanese relationship, this study will seek to assess the impact of emotions on the origin of the ongoing South Korea-Japan trade dispute by applying discourse analysis to public communications between Korea and Japan through official—primarily executive agencies—and unofficial mediums. Considering the salience of East Asian rivalries in the face of China's continued rise, and the unexpected outbreak of antagonism between two ostensibly cooperative states, questions remain over how a dispute between South Korea and Japan could have occurred despite the existence of perceived shared threats. Moreover, given the expanding literature dealing with the role of historical memory both between South Korea and Japan and within the broader context of East Asian IR, there is now a unique opportunity to assess how emotions could help explain the trade conflict and East Asian foreign policies more broadly.

Human Affect in IR

There is an immediate, fundamental problem which must be addressed on the question of affective politics: how can emotions be conceived of in the context of foreign policy decision-making? This question has found no easy answer, and there remains a rich debate within a variety of different fields of study as to the nature and boundaries of emotion.¹⁰ Unfortunately, the nebulousness of human affect has discouraged scholars from pursuing the study of affect as it relates to politics, especially at the international level of analysis, where there has been a long tradition of viewing the state as a rational, monolithic actor unaffected by non-systemic variables. While this analysis does not seek to settle the debate, it is still necessary to establish a baseline for how to think

about emotion before being able to determine its potential effects.

Similar to the political theorist Michael Walzer's distinction between "thin" and "thick" morality—an innate, universalist versus a constructed, particularist morality—emotions can be conceptualized in a two-level manner.¹¹ The sociologist Eduardo Bericat's distinction between primary and secondary emotions is of particular interest in the context of inter-state relations: primary emotions are those which are innate and universal—fear, lust, anger, and so forth—while secondary emotions are those which are conditioned by the broader social context within which one finds themselves—guilt, love, nostalgia, and similar forms of emotion.¹² While innately-driven emotions can serve as remarkably powerful drivers of political behavior—the classic realist reading of Thucydides' account of the Peloponnesian War would emphasize the role of fear in inducing a Spartan reaction against Athens—Brent Sasley, a political scientist at the University of Texas at Arlington, argues that context-dependent emotions can also be established as causal by serving as motivating forces for political action via shaping and being shaped by the sociocultural environment.¹³ Emotions, therefore, hold significant implications for state behavior by impacting FPDM at all levels of analysis, whether it be individual or group-focused.

A key implication is that context-dependent emotions play an important role in the development and consolidation of group identities. As Sasley notes of the psychological literature, in-group out-group biases are induced through affect, and one's emotional dispositions end up being shared in part because members operate within the same social and cultural environment. This becomes especially true when hierarchies are introduced, and prestige becomes a salient issue. In other words, people begin to think and "feel" for and with the in-group rather than for themselves.¹⁴ The psychologist Henri Tajfel's landmark 1971 study on social categorization and intergroup behavior, which has inspired an entire subgenre of research on social identity, makes clear that people are much more willing to favor and less willing to punish members of an in-group, and the inverse for members of an out-group.¹⁵ In foreign policy analysis (FPA), these conditions have been examined for several decades—the psychologist Irving Janis' case studies of various political crises, which assessed the rise of groupthink present in the US' FPDM processes, offer ready examples of the application of psychological analysis in international politics.¹⁶

However, such analyses have often focused on cognitive rather than emotional processes and remain well within the domain of FPA, not IR in a broader sense.¹⁷ Just as significantly, much of the current FPA literature focusing on cognition and emotion has been focused specifically on the consequences of cognitive and emotional processes on a relatively small scale—typically, at the level of elite groups of decision-makers or of individual leaders.¹⁸ To satisfy the more general context of IR, a framework which can approach emotions from the individual level of analysis to a much larger group level of the state as a whole is needed.¹⁹

While the methods of studying emotions in politics remain in their early stages of development and quantitative methods remain elusive, discourse analysis, as well as evaluating emotions by way of analyzing how they are represented and communicated through speech, images, analogies, and other vehicles for meaning, offer at least an indirect medium. Fortunately, there already exists a large volume of research from political scientists on the impact of images, analogies, and other vehicles of meaning; Robert Jervis' work on the "logic of images" and Yuen Foong Khong's work on analogical reasoning serve as foundational texts in these areas and have contributed to a rise in research on how one's way of thought can impact decision-making.²⁰ However, like the FPA literature dealing with social and cognitive processes, the focus has remained on cognition. Yet, images and rhetoric can produce powerfully emotive responses within in-groups; the Korean concept of *han* (한 or 恨), as an example, encapsulates and helps induce a great deal of negative emotions and memories stemming from the Japanese colonial period among Koreans.²¹ This form of collective affect which appears to permeate throughout the state apparatus and, oftentimes, even the general public, inevitably has consequences in the domain of foreign policy, especially, as will come to be apparent, in Korea-Japan relations.

The Korea-Japan Trade Dispute

On July 1, 2019, Japan's Ministry of Economy, Trade, and Industry (METI) approved a decision to begin the process of removing South Korea from its trade whitelist, which granted countries preferential treatment with regards to export controls on a variety of materials and goods, and force exporters of certain resources (e.g., hydrogen fluoride) to apply for individual licenses to export to Korea.²² This development certainly came as a shock to many, as one headline from the Korean

newspaper *Kyunghyang Sinmun* suggested: “*Ilbon dodaeche wae?*” (“Japan, why on Earth?”). Japan’s move incited a tit-for-tat response by South Korea, which promptly removed Japan from its own whitelist for trading privileges and threatened to leave the General Security of Military Information Agreement (GSOMIA), an intelligence-sharing agreement.²³

While METI’s decision is marked as the ostensible beginning of the trade conflict, South Korea and Japan dispute the true origins. Japan strongly asserted that the cause was that “the Japan-ROK relationship of trust including in the field of export control and regulation has been significantly undermined,” presumably by South Korea.²⁴ This was reiterated by then-Prime Minister Shinzo Abe.²⁵ In other words, the decision was largely made because of trade-related considerations—South Korea was allegedly failing to comply with existing export controls.²⁶ However, this was quickly contradicted by South Korea, which noted that METI’s policy came just a couple of months following South Korea’s Daejeon District Court’s 2019 ruling against Mitsubishi Heavy Industries, a Japanese industrial company, approving a request to seize Mitsubishi’s trademark and patent assets.²⁷ Tensions had in fact first emerged prior when, in October 2018, South Korea’s Supreme Court ruled that Nippon Steel and Sumitomo Steel, two of Japan’s largest steel producers, had utilized forced Korean labor and that it must financially compensate the surviving laborers with roughly US \$89,000.²⁸

Some observers have rejected the importance of either the “history problem” or emotions in explaining the outbreak of the trade conflict.²⁹ Takuya Matsuda and Jaehan Park argue that history is just a *prima facie* cause of the initial dispute. Noting Japan’s growing status as a sea power and South Korea’s insecurity as a result of oscillating between “continental and maritime orientations,” they argue that the trade war is representative of a more general resurgence of geopolitical competition in East Asia as the region slides back into a familiar balance-of-power dynamic.³⁰ A similar view is forwarded by Lauren Richardson, who acknowledges the relevance of the “history problem” but argues that the trade dispute must be placed within the broader strategic environment.³¹

Specifically, North Korea’s shift in policy to non-aggression in January 2018 led to a divergence between Japanese and Korean strategic priorities with regards to North Korea; while South Korea accepted Kim Jong-un’s conciliatory gesture in the 2018 New Year’s Address by suggesting cooperation at the Winter Olympics, Japan believed North

Korea to not have fundamentally changed their foreign policy.³² Henry Storey, a political analyst at Dragoman, posited that President Moon's decision not to interfere with the court's decision and tame hostilities was derived from Moon's foreign policy priorities. Noting that the Democratic Party of Korea maintains a Korean nationalist ideology, Storey argues that issues raised by Japan would have been subordinate to inter-Korean relations, which Moon has consistently emphasized.³³ Thus, while geopolitical realities acted as a push factor towards cooperation with Japan, Moon may not necessarily view relations with Japan as desirable if it leads to the focus shifting away from North Korea.

Others, however, posit more historically-minded approaches to the trade conflict. Rejecting the Abe administration's insistence on the 2018 court rulings playing no role in the updated trade policies, Wrenn Yennie Lindgren, Eun Hee Woo, Ulv Hanssen, and Petter Y. Lindgren argue that the main cause was the refusal of both countries to acknowledge one another's identities following the development of a "peace culture" in Japan and democratization in South Korea.³⁴ In their view, the trade conflict was just another materialization of a heightened form of outdated identity politics. In a similar vein, Chris Deacon, a doctoral candidate at the London School of Economics and Political Science, posits a comparatively more complex view in arguing that it is in fact the reconstruction of identities in South Korea and Japan during the post-war era which is the source for the hostilities exhibited; the politics of remembering in Korea, wherein Japan is an aggressor, and the contrasting politics of forgetting in Japan, wherein Korea is emotional and irrational for dwelling on the past, is responsible for causing specific foreign policies.³⁵ S. Nathan Park, an international lawyer and non-resident fellow at the Sejong Institute, in explaining a missed opportunity for reconciliation between the two states at the 2018 Winter Olympics, asserts that "Japanese diplomacy is caught up in messy grievances with South Korea, not a cold-eyed, interest-based analysis."³⁶ Implicated here is the notion that non-strategic issues are being passionately pursued in a manner which a rationalist approach would view as undesirable.

While the existing literature does much to provide needed context to the ongoing dispute, there has been a lack of research which seeks to examine in greater depth the decision-making processes which could explain how the foreign policies leading to the dispute were shaped at the top as well as how it could have lasted longer more

than two years. Furthermore, while analyses by scholars such as Chris Deacon reveal a great deal about the impact of historical memory, many have tended to give greater attention to public discourses rather than governmental rhetoric and therefore do little to hint at the role of emotion in FPDM; this is likely in part due to the greater volume of material available from media outlets, newspapers, and social media posts, as well as the occasional obscurity associated with official statements.³⁷ Nonetheless, in order to begin to understand the significance of emotion in the making of foreign policy decisions, it is necessary to examine the discourse between the South Korean and Japanese states.

While the methods of studying emotions in politics remain in the earliest stages of development and quantitative methods remain elusive, discourse analysis, as well as evaluating emotions by way of analyzing how they are represented and communicated through speech, images, analogies, and other vehicles for meaning, offer at least an indirect means of deriving meaning from public statements given by state officials. Moreover, while much of the FPA literature deals with instances of crisis or times of stable peace, the Korean-Japanese trade dispute offers an in-between situation, where crisis conditions (e.g., decisions must be made rapidly) are not met, yet there is a clear sense of conflict. As such, Korea-Japan trade relations offer a rather unique case for analysis.

Social Identity and Korean-Japanese Relations

As Todd Hall establishes, emotions are 1) a product of decision-making, and 2) used to help achieve desired foreign policy ends.³⁸ The use-value of this “emotional diplomacy” comes from its capacity to help frame issues in ways which are conducive to invoking favorable reactions in other audiences or shaping how other states perceive them and their intentions.³⁹ However, emotions can also play a role in shaping which issues receive emphasis and which policies are viable options in the first place. The trade conflict could therefore distract South Korea and Japan from more pressing geopolitical concerns or push a state to divide its attention among several different issues, thereby removing its ability to focus all its efforts on a single one.⁴⁰ Henri Tajfel’s groundbreaking social identity theory, from which the importance of in-group out-group bias is established, also posits that 1) people categorize others into groups to understand them in a more simplistic manner (social categorization); 2) people’s social identity derives from which groups

they belong to (i.e., “I belong to the Korean/Japanese nation”), the content of which derives from the features and norms of the group—violations of norms, which diffuse emotions, can invoke emotional responses (social identification); 3) people compare their group with others for the sake of self-esteem (social comparison)—this often is the underlying process behind stereotyping and prejudice.⁴¹ Tajfel’s central hypothesis is that in so doing, people will look to determine negative aspects of out-groups to enhance their own self-image.⁴² Social identity, in turn, “determines emotions and behavior.”⁴³ In-group out-group biases are induced through affect, and emotional dispositions of an individual can end up being shared in part because members operate within the same social and cultural environment. In other words, people begin to think and feel for and with the in-group rather than for themselves.⁴⁴

As is standard in global politics, Korean-Japan relations fit the characteristics which allow for the application of the social identity theory. South Korea and Japan, as do all other states, demarcate specific categories of global politics along national lines (“I am Korean, you are Japanese”); both the Korean and Japanese governments promote a strong sense of national identity, indicating a strong social identity with which policymakers themselves associate with, and there are established norms grounded in legal doctrine and historical memory (social identification); and both often make implicit comparisons by invoking stereotypes, a feature which will soon be examined (social comparison).⁴⁵ The beginning of a trade dispute quickly involved nationalist sentiments which are at their core emotional and nonrational—this would have also strengthened a sense of a conflict between an in-group (either Koreans or Japanese) against an out-group (the other side) and thereby increased barriers to cooperation.⁴⁶ These notions are critical in contextualizing the messaging between the two states in the lead-up and at the onset of the trade dispute.

Emotions in Korean-Japanese Discourse

Following the South Korean court’s rulings in 2018, then-Japanese Foreign Minister Taro Kono issued a public statement asserting that “[the] decision is extremely regrettable and totally unacceptable... [Japan] strongly demands that the [ROK] take appropriate measures, including immediate actions to remedy such breach of international law.”⁴⁷ (Breaches of international law can be reconceptualized as a type of norm

violation.)⁴⁸ On January 4, 2019, via a question-and-answer session from the Ministry of Foreign Affairs (MOFA), Kono drew a red line: “if unjust disadvantages occur for Japanese companies, the Government of Japan will naturally have to take various measures.”⁴⁹ In fact, Kono referred to the possibility of “unjust disadvantages” for Japanese companies three separate times.⁵⁰ Senses of justice often find their base in emotion and are shaped by emotional dispositions; reactions deriving from violations of one’s sense of justice are fundamentally emotional responses.⁵¹ Even if the perception of unjustness or unfairness derives from a belief that international law has been breached—that is to say, an international norm—responses to norm violations are nonetheless emotionally grounded as a result of being tied to one’s social identification (in this case, Japan being a member of international society). Thus, assertions by MOFA that the dispute is a matter concerning international law, and that “prioritizing personal sentiments” is undesirable, neglect the emotional component of social groups responding to norm violations, even ones enshrined in law. Soon after Kono’s public statement, the Speaker of the National Assembly of Korea referred to the Japanese emperor as “son of the main culprit of war crime” in an interview with Bloomberg and demanded a Japanese apology over the comfort women issue. Asked about the Speaker’s comments, Kono described them as “exceedingly impolite and unacceptable,” adding that “the Government of Japan strongly requests an apology and retraction.”⁵² This was repeated at a February 16 press conference following Kono’s attendance at the Munich Security Conference, where Kono once again described the comments as “truly regrettable.”⁵³

As an important note, a limitation in assessing East Asian communications relative to EU communications is the propensity in East Asia to use language in much more implicit, indirect, subtle ways—statements which are typical of European and American press releases, such as “the European Union is appalled by event X,” would find an East Asian equivalent in “this action X is deeply regrettable.”⁵⁴ Certainly, the true meaning of these comments does not go unnoticed by Korean and Japanese audiences. In one instance, Taro Kono was asked by a reporter in the February 12 MOFA press conference to explain why he decided to issue a strong request as it related to discussions on the Japan-ROK Agreement on the Settlement of Problems, which dealt with issues pertaining to laborers

forced to work in Japan during the early-to mid-twentieth century.⁵⁵

In addition, two considerations must be noted: 1) Japan and South Korea failed to pursue a legal solution to the issue, and 2) Japan ultimately resorted to unilateral policy changes. On July 1, 2019, Japan's METI announced that South Korea would be removed from its list of "white countries," citing, "Japan-ROK relationship of trust including in the field of export control and regulation has been significantly undermined."⁵⁶ President Moon recognized the breakdown of trust but saw the source as METI's policy shift.⁵⁷ In many ways similar to senses of justice, senses of trust also find an emotional base, and in this context there was a mutual perception of a loss of trust between South Korea and Japan as a direct result of the court cases and subsequent reaction.⁵⁸

Another interesting point to consider is Moon's framing of the dispute as a "conflict." In a July 15 meeting with his senior secretaries, Moon declared that South Korea "will prevail over this situation."⁵⁹ This sentiment was repeated in an August 2 meeting, where he promised that Korea would "never again lose to Japan."⁶⁰ This suggests a powerful emotional tint to Moon's perception of the dispute—one compounded by a memory of a Korea oppressed—which shapes what Moon perceives as viable options and directions for pursuing relations with Japan. Specifically, it is possible that Moon could have felt that "softer" options, such as seeking a reversal of the Supreme Court decision or attempting to offer concessions, were simply off the table in the face of Japan's aggressive policy shifts. Moon's reference towards a reopening of "deep wounds" also suggests a perception in which there is a conflict requiring swift and aggressive action when confronted.⁶¹ Indeed, in terms of policy, South Korea responded to Japan's export controls in kind by dropping Japan from its own list of "white countries" and threatening to unilaterally exit from GSOMIA, an intelligence-sharing agreement between the two countries that was previously seen as a strong indicator for a more positive form of Korea-Japan relations.⁶² While some may conceive the Korean response as an example of a tit-for-tat response in a game theoretic sense, thereby indicating rationality, the sentiments expressed by Moon and the Japanese foreign minister alike do much to reveal the affect-based character of the dispute.

Though it is difficult to ascertain to what degree specifically emotions are responsible for South Korean and Japanese policy choices which contributed to a downward spiral in their relations, it is

clear, at least, that both states viewed the other's behavior as being guided by emotion. Moon, after noting that he "express profound regret," asserted in the August 2 cabinet meeting that Japan's policy represented "undeniable trade retaliation against our Supreme Court's rulings"—retaliation, of course, being a common product of anger. This sentiment was expressed earlier by then-Korean Minister of Trade, Industry and Energy Sung Yun-mo.⁶³ Kono, responding to Korea's decision to leave GSOMIA, asserted that "Japan-ROK relations continue to be in an extremely severe situation because of the series of exceedingly negative and irrational actions," and that he "would like to resolutely protest that such a decision has been made."⁶⁴ Despite both governments' insistence to the contrary, it is apparent that the escalation of the trade dispute was retaliatory in nature. Fundamentally, as is made evident by South Korean and Japanese communications, emotions had a significant impact on the perceptions of policymakers and helped frame the issues as well as determine which options were viable. In the context of the trade dispute, the viable options were retaliatory; that the crisis actually distracted both states from theoretically more pressing geopolitical concerns is suggestive of emotion being a driving force behind both South Korean and Japanese decision-making.

The surprising degree to which emotions have driven the relationship becomes even more apparent when considering how the discourse over the conflict evolved over time. In 2021, as Japan was preparing for the Olympic games that would be hosted in Tokyo that summer, South Korean officials had been in talks with their Japanese counterparts to host for the very first time a summit between President Moon and Prime Minister Suga.⁶⁵ However, in the midst of negotiations, Soma Hirohisa, then-Japanese deputy chief of mission at the Japanese embassy in Seoul, suggested that Moon's bid to improve the bilateral relationship between South Korea and Japan amounted to "masturbation," and that "the government of Japan does not think about the Japan-Korea relationship as much as Korea does."⁶⁶ The comment—which had been made in an interview with a South Korean reporter, was quickly criticized by both then-Japanese Chief Cabinet Secretary Kato Katsunobu and Prime Minister Suga. However, the remark had by that point ignited a media firestorm, and the Moon administration dropped all negotiations concerning the summit, and Moon himself announced that he will not visit Tokyo for the Olympics.⁶⁷

Indeed, according to a Korean newspaper, while Moon's presidential advisers had formerly been evenly split on whether he should attend the Tokyo Olympics, the incident led to a consensus against the idea.⁶⁸

To some degree, the intense backlash towards the comment came as a result of the uncharacteristically lewd nature of the comment. As indicated earlier, East Asian communication tends to be far more indirect and implicit than is often observed in Western contexts, possibly suggesting that it was made in a moment of a lack of clarity. Certainly, Hirohisa should have been able to recognize the very likely negative consequences which would derive from an irresponsible comment made towards a South Korean reporter during a period in which both states were engaging in sensitive negotiations that could begin to swing their relationship in a more positive direction. The seeming recklessness of the Japanese official therefore indicated to some observers the more general failure of Japanese diplomacy when it came to repairing their relations with South Korea.⁶⁹

Following Nathan S. Park's argument regarding the incident, the remark was evidence that Japan was not, as they themselves asserted, engaging in a purely interest-based calculation, but rather a series of grievances that cut at the core of their national sense of pride—it brought to the forefront a highly sensitive, and therefore emotional, issue that policymakers felt demanded a strong response and for which they felt they could not make many concessions, lest they face criticism from their own peers and constituents. In fact, reflecting on the loss of trust—and by extension, the emotionally charged nature of the dispute—between the two countries, the Japanese newspaper *Asahi Shimbun* would go as far as to call the Japanese policy the “extreme of stupidity.”⁷⁰

A reasonable criticism of the argument laid out above is that the reason why South Korea and Japan have remained so rigid in their policies is because of public opinion—specifically, by backing down, they would suffer audience costs as their citizens rail against the perceived weakness of their government. So, do these emotion-laden discourses actually suggest that emotions impacted FPDM as the trade war escalated in July and developed afterwards? It is impossible to determine with full confidence how impactful emotions truly were in dictating how policymakers reached their decisions. However, survey data in Korea and Japan suggest, at least, that public opinion cannot adequately explain either country's policy towards the other. In particular, it cannot explain

the longevity of those policies. A 2020 survey done jointly in South Korea and Japan by Genron NPO and East Asia Institute found that South Korean perceptions of Japan experienced a downward trend, while Japanese perceptions of South Korea experienced an upward trend; few supported their governments' policy towards the other country, and in South Korea, an increasing number of people wanted a new solution to the forced labor issue in particular.⁷¹ In another survey conducted in 2022, the joint survey found that in both countries, there were decreased threat perceptions, strong popular demands to improve the bilateral relationship, especially among the country's youth (ages 18–39), and support for greater cooperation within the US-South Korea-Japan security triangle.⁷² As such, the Korean and Japanese public cannot be said to be responsible for sustaining the dispute. Rather, the unwillingness of both states to deviate from their chosen policies despite losing public support demonstrates to some extent that leaders' perceptions and feelings have some sway over how they have responded to one another over the dispute.

Conclusion

This study is intended to serve two purposes: 1) to take on Karen E. Smith's call to begin a research regime on the real impact of emotions in foreign policy decision-making, and 2) to serve as a first cut into how emotions-based research can explain decision-making processes in South Korea and Japan. As discussed previously, a weakness of discourse analysis, and a limitation stemming from the inability to properly operationalize emotions, is that it relies on inferences derived from speech. Nonetheless, just as with data analysis, estimations pertaining to how individuals are feeling can be made with greater accuracy given higher volumes of speeches, remarks, press conferences, etc. to assess within their respective contexts.

It remains unclear to what degree precisely emotions may have shaped South Korean and Japanese policymaking processes, though it is undeniable that they influenced how the two states viewed the others' intentions and motivations as well as the viability of certain policy alternatives. From the very outset of the dispute, the implications of the trade dispute on problems related to historical memory restricted the number of policy options that policymakers believed were available to them. Undoubtedly, part of this was likely out of concern that a conciliatory policy could provoke large-scale domestic criticism. However, despite the

fact that public opinion in both countries towards the other began to shift in a more positive direction, and despite both populations' dissatisfaction regarding their government's policy towards the other country, neither government feels comfortable in taking the initiative to begin negotiations out of a belief that the other government will engage in bad faith.⁷³

By 2023, it is still difficult to predict how the trade dispute will evolve, although the longevity of the dispute in itself seems to indicate how delicately both countries must navigate the political environment to avoid instigating a harsh response from the other. What is known, however, is that the powerful emotional component that has become embedded within the dispute as a result of the dispute's origins—that is, historical problems that remain extremely sensitive—has been and remains a major obstacle to reaching a solution that satisfies both states.

As mentioned earlier, this study serves as a first cut into using emotions to explain the 2019 trade dispute between South Korea and Japan, and many questions remain which would shape how scholars understand conflict, interpret state behavior, and develop solutions. Just as the motivation for this study was a concentration of research in the European context, future research is needed to evaluate the impact of emotions in other regional contexts. More research is also needed to examine the differences in how leaders' emotions impact their decision-making in crises and in contexts such as the Korea-Japan trade dispute, which approached but did not meet the threshold to be classified as a crisis. Whether there exist differences in the degree to which emotions influence decision-making processes in conflicts between rival and non-rival states is a similarly important question. Furthermore, as this study focused on the executive branches of the South Korean and Japanese governments, it is unclear how emotions factor into the interactions between members of executive and legislative bodies. Additionally, this study does not address the possible role of "expected" emotions, whereby leaders express particular emotions publicly to satisfy popular demands while privately holding different attitudes.

To address these questions, discourse analysis and other interpretive methods offer only one type of approach—other methods offer unique windows that can offer useful insights into the decision-making process. For example, research designs incorporating interviews with decision-makers can provide a far more detailed picture of how leaders felt and thought in specific moments during a crisis which

may not be captured in official documents, press releases, letters, and other spoken messages delivered in official capacities. While interviews often suffer from interviewees being incentivized to engage in post-hoc justifications, this problem can be mitigated by comparing answers from different interviews and by evaluating them against the backdrop of official documents. Furthermore, to examine the relationship between foreign policy elites and the public, it may be useful to design a survey experiment to evaluate the difference between how citizens respond to crisis and non-crisis events with the responses of decision-makers. Of course, there are significant challenges in the study of emotions in foreign policy. Most significantly, there continue to be great disagreements over how to operationalize emotions, and whether it is even possible to quantify emotions. Nonetheless, the study of emotions in foreign policy represents a new and fascinating area of inquiry that scholars of international relations must pursue in order to develop a more comprehensive understanding of foreign policy decision-making as well as conflict initiation, escalation, and resolution.

Notes

1 Brent E. Sasley, "Theorizing States' Emotions," *International Studies Review* 13, no. 3 (2011): 452–76, <http://www.jstor.org/stable/23016718>; Jonathan Renshon, Julia J. Lee, and Dustin Tingley, "Emotions and the Micro-Foundations of Commitment Problems," *International Organization* 71, no. S1 (April 2017): S189–218, <https://doi.org/10.1017/S0020818316000473>; Michelle Pace and Ali Bilgic, "Studying Emotions in Security and Diplomacy: Where We Are Now and Challenges Ahead," *Political Psychology* 40, no. 6 (2019): 1407–17, <https://doi.org/10.1111/pops.12635>; Emma Hutchison and Roland Bleiker, "Theorizing Emotions in World Politics," *International Theory* 6 (October 9, 2014): 491–514, <https://doi.org/10.1017/S1752971914000232>.

2 Simon Koschut, Todd H. Hall, Reinhard Wolf, Ty Solomon, Emma Hutchison, and Roland Bleiker. "Discourse and Emotions in International Relations." *International Studies Review* 19, no. 3 (September 1, 2017): 481–508, <https://doi.org/10.1093/isr/vix033>.

3 Karen E. Smith "Emotions and EU Foreign Policy." *International Affairs* 97, no. 2 (March 8, 2021): 287–304. <https://doi.org/10.1093/ia/iaa218>.

4 David Houghton, *The Decision Point: Six Cases in U.S. Foreign Policy Decision Making*, Oxford University Press, 2012. <https://global.oup.com/ushe/product/the-decision-point-9780199743520?cc=kr&lang=en&>.

5 Smith, "Emotions and EU Foreign Policy," p. 291.

6 Young-jin Oh, "We Koreans Are Emotional and Rational," *The Korea Times*, August 9, 2019, https://www.koreatimes.co.kr/www/opinion/2023/05/667_273675.html.

7 "[Reporter's Notebook] Does Japan Want to Be a Country Swayed by Emotions?," Hankyoreh, June 16, 2021, https://english.hani.co.kr/arti/english_edition/e_international/999647.html; Jaewon Kim, "South Korea Presidential Hopeful Shows Bitter Emotion toward Japan," *Nikkei Asia*, November 25, 2021, <https://asia.nikkei.com/Spotlight/South-Korea-election/South-Korea-presidential-hopeful-shows-bitter-emotion-toward-Japan>.

8 Karl Gustafsson and Todd H Hall, "The Politics of Emotions in International Relations: Who Gets to Feel What, Whose Emotions Matter, and the 'History Problem' in Sino-Japanese Relations," *International Studies Quarterly* 65, no. 4 (December 17, 2021): 973–84, <https://doi.org/10.1093/isq/sqab071>.

9 Michelle Pace and Ali Bilgic, "Trauma, Emotions, and Memory in World Politics: The Case of the European Union's Foreign Policy in the Middle East Conflict," *Political Psychology* 39, no. 3 (2018): 503–17, <https://doi.org/10.1111/pops.12459>; Tuomas Forsberg, Regina Heller, and Reinhard Wolf, "Status and Emotions in Russian Foreign Policy," *Communist and Post-Communist Studies* 47, no. 3 (September 1, 2014): 261–68, <https://doi.org/10.1016/j.postcomstud.2014.09.007>; Deborah Welch Larson and Alexei Shevchenko, "Russia Says No: Power, Status, and Emotions in Foreign Policy," *Communist and Post-Communist Studies* 47, no. 3–4 (October 16, 2014): 269–79, <https://doi.org/10.1016/j.postcomstud.2014.09.003>.

10 G. E. Marcus, "Emotions in Politics," *Annual Review of Political Science* 3, no. 1 (2000): 221–50, <https://doi.org/10.1146/annurev.polisci.3.1.221>, pp. 223–25.

11 Michael Walzer, *Just and Unjust Wars*, 5th ed. Basic Books, n.d., <https://www.basicbooks.com/titles/michael-walzer/just-and-unjust-wars/9780465052707/>.

12 Smith, "Emotions and EU Foreign Policy," p. 289.

- 13 Brent E. Sasley, "Theorizing States' Emotions," *International Studies Review* 13, no. 3 (2011), p. 453; Graham Allison, *Destined for War: Can America and China Escape Thucydides' Trap?* Reprint, Mariner Books, 2017, p. 27, <http://www.kyobobook.co.kr/product/detailViewEng.laf?mallGb=ENG&ejkGb=ENG&barcode=9781328915382>.
- 14 Brent E. Sasley, "Theorizing States' Emotions," *International Studies Review* 13, no. 3 (2011), p. 461.
- 15 Henri Tajfel et al., "Social Categorization and Intergroup Behaviour," *European Journal of Social Psychology* 1, no. 2 (1971): 149, <https://doi.org/10.1002/ejsp.2420010202>.
- 16 For an example, see: Irving Janis, *Groupthink: Psychological Studies of Policy Decisions and Fiascoes*. Boston: Houghton Mifflin, 1982.
- 17 Sasley, "Theorizing States' Emotions," p. 456.
- 18 For a study on the decision-making of a small group of high elites, such as the Executive Committee which John F. Kennedy assembled to navigate the Cuban Missile Crisis, see: Fursenko, Aleksandr, and Timothy Naftali. "One Hell of a Gamble": Khrushchev, Castro, and Kennedy, 1958-1964: The Secret History of the Cuban Missile Crisis. New York: W. W. Norton, 1997, pp. 179-83.
- 19 Sasley, "Theorizing States' Emotions," p. 456.
- 20 Robert L. Jervis, *The Logic of Images in International Relations*, Columbia University Press, 1989; Yuen Foong Khong, *Analogies at War*, Princeton University Press, 1992.
- 21 John Huer, "Psychology of Korean Han," *koreatimes*, March 22, 2009, https://www.koreatimes.co.kr/www/nation/2021/12/272_41770.html.
- 22 For a reading on the impact of the export controls on Korean-Japan trade, see: Samuel Goodman, John VerWey, and Dan Kim, "The South Korea-Japan Trade Dispute in Context: Semiconductor Manufacturing, Chemicals, and Concentrated Supply Chains," *SSRN Electronic Journal*, 2019, <https://doi.org/10.2139/ssrn.3470271>; "Japan Removes South Korea from Trusted Trade Partner List | DW | 02.08.2019," *DW.COM*, accessed December 8, 2021, <https://www.dw.com/en/japan-removes-south-korea-from-trusted-trade-partner-list/a-49858790>; "Japan Restricts Chip Smartphone Materials Exports to South Korea | DW | 01.07.2019," *DW.COM*, accessed December 8, 2021, <https://www.dw.com/en/japan-restricts-chip-smartphone-materials-exports-to-south-korea/a-49424209>.
- 23 Kwang Tae Kim, "(2nd LD) S. Korea to Remove Japan from Its 'Whitelisted' of Trusted Trading Partners," *Yonhap News Agency*, August 2, 2019, <https://en.yna.co.kr/view/AEN20190802009652320>; Kyle Ferrier, "Abe Shinzo's Legacy in South Korea," *September 4, 2020*, <https://thediplomat.com/2020/09/abe-shinzos-legacy-in-south-korea/>.
- 24 "Update of METI's Licensing Policies and Procedures on Exports of Controlled Items to the Republic of.
- 25 "Abe Urges Seoul to Uphold 1965 Agreement over Wartime Compensation," *The Japan Times*, August 6, 2019, <https://www.japantimes.co.jp/news/2019/08/06/national/abe-urges-seoul-uphold-1965-agreement-wartime-compensation/>.
- 26 *Ibid.*
- 27 Choe Sang-Hun, "South Korean Court Orders Mitsubishi of Japan to

Pay for Forced Wartime Labor,” *The New York Times*, November 29, 2018, sec. World, <https://www.nytimes.com/2018/11/29/world/asia/south-korea-wartime-compensation-japan.html>.

28 Keith Johnson, “Why Are Japan and South Korea at Each Other’s Throats?,” *Foreign Policy* (blog), July 15, 2019, <https://foreignpolicy.com/2019/07/15/why-are-japan-and-south-korea-in-a-trade-fight-moon-abe-chips-wwii/>; Choe Sang-Hun and Motoko Rich, “The \$89,000 Verdict Tearing Japan and South Korea Apart,” *The New York Times*, February 13, 2019, sec. World, <https://www.nytimes.com/2019/02/13/world/asia/south-korea-slave-forced-labor-japan-world-war-two.html>.

29 For a discussion of the “history problem”, see: Chris Deacon, “(Re)Producing the ‘History Problem’: Memory, Identity and the Japan-South Korea Trade Dispute,” *The Pacific Review* 0, no. 0 (March 10, 2021): 1–32, <https://doi.org/10.1080/09512748.2021.1897652>.

30 Takuya Matsuda and Jaehan Park, “Geopolitics Redux: Explaining the Japan-Korea Dispute and Its Implications for Great Power Competition,” *War on the Rocks*, November 7, 2019, <https://warontherocks.com/2019/11/geopolitics-redux-explaining-the-japan-korea-dispute-and-its-implications-for-great-power-competition/>.

31 Lauren Richardson, “Japan’s Deepening Diplomatic Crisis with South Korea,” *East Asia Forum*, September 15, 2019, <https://www.eastasiaforum.org/2019/09/15/japans-deepening-diplomatic-crisis-with-south-korea/>.

32 *Ibid.*; Jong-un Kim, “Kim Jong Un’s 2018 New Year’s Address,” (speech) *NCNK*, January 1, 2018, <https://www.ncnk.org/node/1427>.

33 Henry Storey, “History Haunts Japan–South Korea Ties,” *Lowy Institute*, February 4, 2021, <https://www.lowyinstitute.org/the-interpretor/history-haunts-japan-south-korea-ties>.

34 Wrenn Yennie Lindgren et al., “The Identity Politics Driving the Japan–South Korea Trade War,” *East Asia Forum*, November 25, 2019, <https://www.eastasiaforum.org/2019/11/25/the-identity-politics-driving-the-japan-south-korea-trade-war/>.

35 Chris Deacon, “(Re)Producing the ‘History Problem’: Memory, Identity and the Japan-South Korea Trade Dispute,” *The Pacific Review* 0, no. 0 (March 10, 2021): p. 1, <https://doi.org/10.1080/09512748.2021.1897652>.

36 S. Nathan Park, “Japan Wasted a Golden Chance for Olympic Reconciliation,” *Foreign Policy* (blog), July 29, 2021, <https://foreignpolicy.com/2021/07/29/japan-olympics-korea-relations/>.

37 Deacon, “(Re)Producing the ‘History Problem’,” p. 1. ; Park, “Japan Wasted a Golden Chance for Olympic Reconciliation”.

38 Todd Hall, *Emotional diplomacy: official emotion on the international stage* (Ithaca, NY, and London: Cornell University Press, 2015), p. 2-3.

39 *Ibid.*

40 Lindgren et al., “The Identity Politics Driving the Japan–South Korea Trade War”.

41 Jan E. Stets and Peter J. Burke, “Identity Theory and Social Identity Theory,” *Social Psychology Quarterly* 63, no. 3 (September 2000): 224–37, <https://doi.org/10.2307/2695870>; Daan Scheepers and Naomi Ellemers, “Social Identity Theory,” in

Social Psychology in Action: Evidence-Based Interventions from Theory to Practice, ed. Kai Sassenberg and Michael L.W. Vliek (Cham: Springer International Publishing, 2019), 129, https://doi.org/10.1007/978-3-030-13788-5_9; Emma Hutchison and Roland Bleiker, "Theorizing Emotions in World Politics," *International Theory* 6 (October 9, 2014): 491–514, <https://doi.org/10.1017/S1752971914000232>.

42 Tajfel, "Social Identity and Intergroup Behaviour," p. 65–93.

43 Ibid.

44 Sasley, "Theorizing States' Emotions," p. 461.

45 Joseph Yi and Wondong Lee, "Pandemic Nationalism in South Korea," *Society* 57, no. 4 (August 1, 2020): 446–51, <https://doi.org/10.1007/s12115-020-00509-z>; Henry Storey, "History Haunts Japan–South Korea Ties," Lowy Institute, February 4, 2021, <https://www.lowyinstitute.org/the-interpreter/history-haunts-japan-south-korea-ties>; one of my publications, currently under review for presentation at Johns Hopkins University's The Richard Macksey National Undergraduate Humanities Research Symposium, compared contemporary Japanese nationalism, in particular the role of Shinzo Abe and the LDP, with postwar Japanese social identity.

46 For an analysis of nationalism as a nonrational phenomenon, see: Walker Connor, *Ethnonationalism* (Princeton University Press, 1993), <https://press.princeton.edu/books/paperback/9780691025636/ethnonationalism>.

47 Taro Kono, "Regarding the Decision by the Supreme Court of the Republic of Korea, Confirming the Existing Judgments on the Japanese Company," press release, October 30, 2018, https://www.mofa.go.jp/press/release/press4e_002204.html.

48 Vijay Padmanabhan, "Norm Internationalization through Trials for Violations of International Law: Four Conditions for Success and Their Application to Trials of Detainees at Guantanamo Bay," *University of Pennsylvania Journal of International Law* 31, no. 2 (January 1, 2009): 435.

49 Taro Kono, "Extraordinary Press Conference by Foreign Minister Taro Kono," press conference, January 4, 2019, https://www.mofa.go.jp/press/kaiken/kaiken4e_000593.html.

50 Ibid.

51 David De Cremer and Kees van den Bos, "Justice and Feelings: Toward a New Era in Justice Research," *Social Justice Research* 20, no. 1 (March 1, 2007): 1–9, <https://doi.org/10.1007/s11211-007-0031-2>; Robert C. Solomon, "The Emotions of Justice," *Social Justice Research* 3, no. 4 (December 1, 1989): 345–74, <https://doi.org/10.1007/BF01048082>.

52 Youkyung Lee, "South Korea Lawmaker Seeks Imperial Apology for Japan Sex Slaves - Bloomberg," Bloomberg, February 8, 2019, <https://www.bloomberg.com/news/articles/2019-02-08/south-korea-lawmaker-seeks-imperial-apology-for-japan-sex-slaves>; Kono, "Press Conference by Foreign Minister Taro Kono".

53 Kono, "Extraordinary Press Conference by Foreign Minister Taro Kono".

54 Yong S. Park and Bryan S. K. Kim, "Asian and European American Cultural Values and Communication Styles among Asian American and European American College Students," *Cultural Diversity & Ethnic Minority Psychology* 14, no. 1 (January 2008): 53–55, <https://doi.org/10.1037/1099-9809.14.1.47>; Jan Servaes, "Reflections on the Differ-

ences in Asian and European Values and Communication Modes,” *Asian Journal of Communication* 10, no. 2 (January 1, 2000): 61, <https://doi.org/10.1080/01292980009364784>.

55 Kono, “Press Conference by Foreign Minister Taro Kono”.

56 Ministry of Economy, Trade, and Industry, “Update of METI’s Licensing Policies and Procedures on Exports of Controlled Items to the Republic of Korea,” news release, July 1, 2019, https://www.meti.go.jp/english/press/2019/0701_001.html.

57 Jae-in Moon, “Opening Remarks by President Moon Jae-in at Meeting with His Senior Secretaries,” *Cheong Wa Dae*, July 15, 2019, <http://english1.president.go.kr/BriefingSpeeches/Speeches/624>.

58 Jonathan Mercer, “Rationality and Psychology in International Politics,” *International Organization* 59, no. 1 (2005): 95-97, <https://doi.org/10.1017/S0020818305050058>; Michal Natorksi and Karolina Pomorska, “Trust and Decision-Making in Times of Crisis: The EU’s Response to the Events in Ukraine,” *JCMS: Journal of Common Market Studies* 55, no. 1 (2017): 56, <https://doi.org/10.1111/jcms.12445>.

59 Moon, “Opening Remarks by President Moon Jae-in at Meeting with His Senior Secretaries”.

60 Jae-in Moon, “Opening Remarks by President Moon Jae-in at Emergency Cabinet Meeting,” *Cheong Wa Dae*, August 2, 2019, <http://english1.president.go.kr/BriefingSpeeches/Speeches/630>.

61 *Ibid.*

62 Tong-Hyung Kim, “South Korea Downgrades Japan Trade Status as Dispute Deepens,” September 18, 2019, <https://sg.finance.yahoo.com/news/south-korea-downgrades-japan-trade-015704535.html>.

63 Yun-Mo Sung, “Minister Sung’s Statement on Japan’s Export Controls against the ROK,” press release, July 2, 2019, http://english.motie.go.kr/en/pc/pressreleases/bbs/bbsView.do?bbs_seq_n=729&bbs_cd_n=2¤tPage=9&search_key_n=&search_val_v=&cate_n=

64 *Ibid.*; Taro Kono, “Extraordinary Press Conference by Foreign Minister Taro Kono,” Ministry of Foreign Affairs of Japan, August 22, 2019, https://www.mofa.go.jp/press/kaiken/kaiken4e_000683.html.

65 Mitch Shin, “President Moon Decides Against Olympic Visit to Japan.” *The Diplomat*, July 20, 2021. <https://thediplomat.com/2021/07/president-moon-decides-against-olympic-visit-to-japan/>.

66 *Ibid.*; S. Nathan Park, “Japan Wasted a Golden Chance for Olympic Reconciliation.” *Foreign Policy* (blog), July 29, 2021. <https://foreignpolicy.com/2021/07/29/japan-olympics-korea-relations/>.

67 *Ibid.*

68 www.donga.com. “‘안됩니다’ 방일 만류한 참모들…文대통령은 ‘아쉽다’ 되뇌어,” July 19, 2021. <https://www.donga.com/news/Politics/article/all/20210719/108041115/1>.

69 Park, “Japan Wasted a Golden Chance for Olympic Reconciliation”.

70 *Asahi Shimbun*, “(社説余滴)3年目の「愚策の極み」 箱田哲也:朝日新

聞デジタル,” July 4, 2021. https://www.asahi.com/articles/DA3S14961375.html?iref=ogimage_rek.

71 “[The 8th Joint Korea-Japan Public Opinion Poll] Analysis Report on Comparative Data.” East Asia Institute, October 22, 2020. http://www.eai.or.kr/new/en/project/view.asp?code=104&intSeq=20175&board=eng_reports&keyword_option=&keyword=&more=; beginning in 2013, the Genron NPO, a Japanese think tank, began polling in both Korea and Japan to assess both populations’ perceptions vis-à-vis the other; in 2015 the Genron NPO began carrying out this project in conjunction with the East Asia Institute, a South Korean think tank.

72 “[EAI · Genron NPO Joint Press Conference] The 10th Survey on Mutual Perceptions of South Korea and Japan (September 1, 2022).” East Asia Institute, September 1, 2022. http://www.eai.or.kr/new/en/project/view.asp?code=104&intSeq=21399&board=eng_event&keyword_option=&keyword=&more=.

73 For polling data on South Korean and Japanese views towards each other, the Japan-based think tank Genron NPO and South Korea-based think tank East Asia Institute has conducted a series of comparative polls in South Korea and Japan. For example, see: http://www.eai.or.kr/new/en/project/view.asp?code=104&intSeq=20175&board=eng_reports&keyword_option=&keyword=&more=; The Japan Times. “Japanese and South Koreans See Each Other More Favorably, Poll Shows,” September 2, 2022. <https://www.japantimes.co.jp/news/2022/09/02/national/south-korea-japan-relations-survey/>.

Sharp But Passive: The Case of Korean Pop Culture's Cyber Influence in China

Jun Kyu Baek

(Yonsei University)

In October 2020, Chinese netizens lashed out against K-pop boyband BTS' acceptance speech after being awarded the General James A. Van Fleet Award on October 7. Three developments followed in China, referred to in this paper as the "BTS controversy", demonstrating a case in which South Korea was seemingly able to exert some kind of undermining effect on China, even if that effect was undirected and unintentional. To explain this phenomenon, the paper initially draws on existing, related theoretical concepts such as cyber information warfare, (cyber) soft balancing, soft power, and sharp power. Finding that these concepts do not satisfactorily explain the effect that was observed in the BTS controversy, the paper subsequently argues that the case merits the development of a new theoretical concept, which the paper tentatively names "passive cyber influence" or "PCI". The rest of the paper constitutes an attempt to theorize the merits and distinguishing features of PCI.

The BTS Controversy

In October 2020, Chinese netizens lashed out against K-pop boyband Bangtan Sonyeondan's (hereafter "BTS") acceptance speech for being awarded the General James A. Van Fleet Award. K-pop, short for "Korean pop", is a popular genre of pop music originating from South Korea. One of its largest markets in the Asia-Pacific region is China, a country whose relationship with K-pop began roughly in the 1990s. Since then, K-pop has become a pop cultural phenomenon in China, enjoyed by Chinese youths as well as fans elsewhere around the world.¹ Given this, it was deemed interesting to observe the online Chinese backlash against BTS, a popular and internationally recognized K-pop music group.²

The James A. Van Fleet Award recognizes South Koreans or Americans for their contribution to US-South Korean relations. Upon accepting this award, the BTS spokesperson referred to the shared sacrifices of South Korea and the US during the Korean War, saying, “We will always remember the history of pain that our two nations shared together and the sacrifice of countless men and women”. The speech harkened to the fact that the two countries fought on the same side during the war.³ The Chinese state tabloid *Global Times* and Chinese Weibo users, however, were not amused. Viewing BTS’ speech as a “tone-deaf” and “one-sided insult” to China’s history and identity—given that China fought on North Korea’s side in the Korean War against South Korea and the US—they took to cyberspace to lash out vehemently against the K-pop boyband.⁴ The backlash caused a stir on the internet and in the business world as fans of BTS (known as “BTS ARMY”) rushed to defend their idols as BTS-associated promotions for brands such as Samsung, Hyundai, and FILA disappeared from the Chinese market.⁵ Subsequently, three developments occurred, which are collectively referred to in this paper as the “BTS controversy”.

First, the outrage amongst Chinese fans did not last long.⁶ In May 2021, not even a year after the controversy, BTS’s popularity with Chinese fans was more or less undiminished despite Weibo banning several prominent BTS fan accounts soon after the release of the band’s newest single on YouTube.⁷ These fan accounts dedicated to the group amass millions of followers, with the most popular BTS fan account, “BTSBAR,” having over 1.2 million followers.⁸ Much to the Chinese government’s chagrin, BTS’s enduring popularity among Chinese fans remained. In April 2021, an online Chinese BTS fan club raised the equivalent of \$360,000 USD in one hour, all to customize an airplane to celebrate the birthday of one of BTS’s members in October.⁹ The incident drew the attention of Weibo—and by extension the CCP—who promptly went about banning it (an account with more than 1.1 million followers) and other K-pop fan accounts. It is also worth noting that even during the height of the controversy in October 2020, some Chinese BTS Army fans voiced their unwavering support for BTS, aligning themselves (albeit inexplicitly) with the tide of international BTS fans who feuded against online Chinese nationalists.¹⁰

Second, the immediate reaction from Chinese government sources was unusually short-lived. The *Global Times* article that

described how BTS enraged Chinese netizens was withdrawn shortly after Zhao Lijian, a Chinese Foreign Ministry spokesperson, said in a press conference on October 12,

“On your second question [on what BTS said in their acceptance speech]... I want to say that we all should learn lessons from history and look forward to the future, hold dear peace and strengthen friendship.”¹¹

The online furor died out soon after. The source of the Chinese government’s backpedaling is not quite clear, and it is likely premature to attribute BTS as the sole definitive cause. Nevertheless, rising concerns over an escalating (and in the grand scheme of things, fruitless) pop culture feud may have influenced the Chinese government to decree that the online Chinese nationalists should refrain from pouring their ire out on cyberspace. Here, the elements of influence were present. The Chinese government was nudged to act in a certain way due to the need to reconcile its desire with that of Chinese K-pop fans, which were seemingly at odds.

Third, in September 2021, almost a year after the controversy, the Chinese government implemented sweeping regulations across multiple industries and online media platforms.¹² These included the suspension of over 20 Weibo fan accounts of K-pop groups, as well as other online celebrity fan clubs. Perhaps unsurprisingly, BTS fan accounts were among those suspended.¹³ These regulations were attempts by the Xi Jinping administration to consolidate power and tighten domestic control, possibly in preparation for Xi’s third term as president.¹⁴ In other words, it is unlikely that the regulations were motivated purely out of consternation towards K-pop—indeed, the regulations were broader in scope and did not specifically target K-pop. Nevertheless, the fact that K-pop-affiliated groups were suppressed in a nationwide effort to consolidate control is at least somewhat indicative of the Chinese government’s wary appraisal of K-pop’s influence. This development suggests that K-pop holds a nontrivial influence within China, although it is difficult to quantify.

Altogether, these developments represent a case in which South Korea was seemingly able to exert influence over, and thereby induce some kind of effect in, China—even if that effect was undirected and unintentional. Korean pop culture has attracted a large following in China and its influence on the country proved itself significant during the BTS

controversy, when the Chinese government felt compelled to respond to the public's reaction. It can be argued that such influence swayed the Chinese government to dial back their narrative on a contentious issue that took place in cyberspace and later attempt to thwart the source of the influence by implementing sweeping regulations.¹⁵

These developments resonate, albeit imperfectly, with certain existing theoretical concepts in the international relations (IR) and cybersecurity literature.¹⁶ Finding the BTS controversy to be interesting and relatively uncommon for all the reasons noted above, this paper attempts to understand the case's theoretical underpinnings, applying existing theories to properly contextualize the case within the field of IR.

This paper argues that the BTS controversy and the events that followed it warrant the development of a novel theoretical concept for understanding warfare,¹⁷ or competition, in the online media or cyber domain. This theoretical concept is tentatively named "passive cyber-influence". The paper will begin by examining the BTS controversy in relation to existing theoretical concepts in IR.¹⁸ Concepts such as cyber information warfare, cyber soft balancing, soft power, and sharp power will be analyzed and ultimately found to be inadequate. Next, the paper will aggregate the main points learned from the earlier section and introduce a novel concept that best explains the case. The section will examine the concept's merits by specifying the various benefits this concept could provide—especially for foreign policy decision-makers and strategists.

Assessing K-pop's "Influence"

It is not uncommon to see media be used to further political or national interests.¹⁹ As such, existing theoretical concepts might help to properly conceptualize K-pop in the context of the influence BTS seemingly exerted over China in 2020 and 2021. Where plain reality might impede deeper understanding, related concepts in the IR/cybersecurity literature might illuminate. This section will therefore assess four separate concepts for their applicability and ability to explain the K-pop influence observed during the BTS controversy.

1. Cyber Information Warfare

Cyber information warfare (hereafter cyber-IW) affects the psychologies of target audiences to persuade, mislead, deceive, or otherwise influence the audience's behaviors, motives, and emotions.²⁰ Cyber-IW

is conducted with the intent of obtaining a concrete strategic outcome and is defined in the realm of information warfare as the ability to get an adversary to align one's political goals with those of the perpetrator of information warfare.²¹ Elsewhere, cyber-IW is described as an act of deliberate subversion²² and characterized by the unpredictability of its effects, the (generally) non-lethal nature of IW operations, the difficulty with discerning who is conducting IW operations and for what reasons, and the relative safety with which IW conductors operate, which then facilitates the persistency of cyber-IW operations and their effects.²³

Some of these theorized elements of information warfare were at play during the BTS controversy. For one thing, K-pop (through BTS) was seemingly able to disturb, and therefore "subvert", the normal state of affairs in China. The fourfold characterization of cyber-IW, as presented by Libicki and summarized above, is also present in the case. For example, the controversy in China did not result in physical injuries or casualties. The clash of opinions between Chinese nationalist netizens and BTS fans, as well as the government's unusual responses to the controversy was also unforeseen and unexpected.

However, when the question is asked of who conducted the ostensible "cyber-IW operations" of the BTS controversy, the applicability of cyber-IW falls through. Libicki talks of "information warriors" conducting cyber-IW attacks;²⁴ a facet that was absent in the BTS controversy unless one counts—absurdly—BTS itself or its fanbase as such. In theory, cyber-IW operations are conducted deliberately, with the express intent of achieving meaningful strategic outcomes.²⁵ Implicit in cyber-IW is the requirement of "purposeful intent", and the lack of such intent behind the effects observed during the BTS controversy problematizes the use of this concept as an explanation for the case.

In short, there was no observable, conscious strategic goal on the part of South Korea to affect the psychology of the Chinese public via the BTS controversy. It would be presumptuous to assert that the South Korean government had the intention of spreading propaganda or discord in China when it promoted its cultural industries. Above all, the "effect" induced in China was generated, not by South Korea or exclusively by South Koreans, but primarily by online BTS fans—a demographic which included Chinese and other international individuals.²⁶

2. (Cyber) Soft Balancing

Robert Pape defined soft balancing as “actions that do not directly challenge US military preponderance but that use nonmilitary tools to delay, frustrate, and undermine aggressive unilateral US military policies”.²⁷ A critical element of “soft balancing,” then, is the use of nonmilitary tools to undermine rivals of preponderant capabilities and counter their “hard balancing” behavior. Further works have broadened the concept of soft balancing to the use of either military or nonmilitary tools to undermine the power of rivals without direct confrontation; this is opposed to hard balancing, which is taken to mean increasing one’s own power to directly confront one’s rivals.²⁸ The logic of soft balancing holds that when a weaker state faces a stronger state, there is relatively weaker incentive for the former to hard-balance against the latter (by building alliances, developing capabilities, etc.), especially when the power differentials are too wide for hard balancing to be of any meaningful use. Given such a predicament, the weaker state would, among other things, seek to undermine the stronger state’s power while avoiding confrontation.²⁹ Asymmetric power relationships, then, determine the likelihood of soft balancing being utilized as a foreign policy tool.

Cyber provides just such a tool for asymmetric actors.³⁰ Through cyber means, actors can undermine their rivals’ relative power—for example, by using cyber espionage to undermine economic capability, and disinformation to undermine domestic stability and competence.³¹ At first glance, the asymmetric power differential between South Korea and China would make it seem as though cyber soft balancing suitably describes South Korea’s actions during the BTS controversy. The problem, however, lies in that very statement—South Korea, as a government or political actor, did not intentionally act to achieve the desired outcome. Instead, it benefited from something that occurred passively or without any deliberate effort. South Korea was not an active agent in the BTS controversy, neither directly confronting nor indirectly undermining Chinese power by destabilizing its domestic stability; South Korea simply wasn’t an active participant in the BTS controversy. One might argue that because BTS is South Korean, and because South Korea actively supports BTS, K-pop, and “Hallyu”,³² South Korea may be described as having perpetrated soft balancing through the BTS controversy. This claim is problematic because it makes a tenuous connection between South Korea and the end-effect of the controversy. It was, after all, not the South Korean government that directly enacted

the “disruptive” fan war in China, but the fans themselves who did so.³³ Ascribing responsibility for the BTS controversy to South Korea strains the bounds of plausibility. The fact that South Korea endorses K-pop and BTS does not necessarily imply that the country is able to orchestrate fandom reactions, or that the nation can somehow weaponize fandoms into agents of soft balancing. By the same token, blaming South Korea for somehow orchestrating conflicts among BTS fans, thereby undermining Chinese power, and committing cyber soft balancing, is absurd.

3. *Soft Power*

During the BTS controversy, groups of Chinese and international fans clashed online against Chinese nationalists; the resulting clash prompted the Chinese government to react. It may be argued that because the government’s reaction³⁴ was a response to fans of K-pop, the BTS controversy was an example of soft power in action.

To Joseph Nye, soft power means “getting others to want the outcomes that you want—co-opt[ing] people rather than coerc[ing] them... the ability to shape the preferences of others”.³⁵ A country’s “attractiveness” is key to the workings of soft power. By genuinely attracting others to one’s worldview, agenda, or constituent values and culture,³⁶ the soft power-producer becomes an object of aspiration for others, which then drives other countries to align themselves with the preferences of the soft power-producer. From these descriptions, one may extract the following points about soft power. First, soft power can come from cultural resources. Second, these cultural resources must be attractive. Third, “attractiveness” occurs when the “soft power affectee” holds a genuine belief in the beneficial and/or aspirational qualities of a soft power-constituting resource. Fourth, once this attractiveness has successfully influenced the preferences of another actor to be similar to the preferences of the resource’s producer (i.e., once co-option has occurred), then the resource can be definitively considered “soft power” in conceptual terms. Fifth, the process described above can be re-described as an attempt by a soft power-producer to exert influence over an affectee.³⁷ Sixth, soft power must therefore be deliberate to count as soft power. At the very least, soft power must be the product of conscious, active decisions and operations. To “exert influence” implies that an actor is making a conscious decision to exert influence; as such, to qualify as soft power, a resource must

have been purposefully deployed by a country with the conscious intent to utilize the resource as an influence-exerting soft power tool.

BTS is indeed a South Korean cultural resource and is undoubtedly popular in China and internationally. However, for something to qualify as soft power, the affectee must find it genuinely attractive. Ultimately, the BTS controversy demonstrated to China the potential of K-pop to undermine and manipulate; how K-pop's attractiveness could potentially create disruptions in China's domestic stability. As such, while BTS and K-pop is popular among Chinese people, they do not have the same appeal to the Chinese government. The government seems wary of the influence K-pop can exert over its people, as evidenced by China's social media bans in 2021. This is a far cry from what soft power is supposed to accomplish, which is to influence Beijing's preferences so that it aligns closely with Seoul's. Thus, it can be argued that K-pop fails to qualify as soft power as it lacks the perceived "attractiveness" from the Chinese state.

4. Sharp Power

Finally, one must consider K-pop during the BTS controversy as a potential example of sharp power, given K-pop's ostensibly destabilizing effect on China during the controversy. Sharp power is associated with manipulation, subversion, and censorship. It is characterized by the use of resources, not to attract or forcibly coerce, but to distort narratives and limit free expression from within.³⁸ By this definition, the BTS controversy contains elements of sharp power manipulation. For instance, during the height of the controversy, the Chinese government was faced with a segment of its population that remained supportive of BTS despite the boy group's supposedly anti-Chinese remarks. This can be seen as BTS having "manipulated" the Chinese public against the desires of the Chinese government, which in turn would be highly undesirable for a regime that concerns itself with its tight control of public narratives. In sharp power, the manipulator stands to gain while the affectee stands to lose; in this sense, the affectee (China) "lost" by having its people become "manipulated" by the attractiveness of K-pop and therefore causing some form of disruption in its domestic stability, while the manipulator (Korea) "gained" by sticking it to their larger rival.

Herein, however, lies the problem with using sharp power to describe the BTS controversy. There is no clear indication that South

Korea used K-pop explicitly to “stick it” to China. This is problematic as the concept of sharp power implies that, in order for something to count as sharp power, a conscious intent to exert influence must be evident.³⁹ Sharp power is unsuitable for explaining the BTS controversy for there was no evident intent on the part of South Korea to use BTS and K-pop deliberately as a tool of sharp power, especially towards China.⁴⁰

Conversely, clear intent—the intent to distort, manipulate, and undermine—is more readily apparent in cases regarded as actual examples of sharp power. China’s ostensible “training programs” for African journalists and its engagement with Latin American academics, journalists, and officials display China’s evident intent to proliferate pro-Chinese narratives.⁴¹ The Russian disinformation campaign during the 2016 US election further demonstrates how explicit intent is required for something to count as sharp power, even if that intent is masked. In comparison, it is harder to see in K-pop any explicit intent to manipulate;⁴² for that matter, arguing that “manipulating countries through K-pop” was the South Korean government’s intention behind supporting its cultural industries would be an unsubstantiated claim.

In effect, intentions shouldn’t be ignored when trying to understand the role K-pop played during the BTS controversy. Even though the effect produced by K-pop was akin to that of sharp power, the lack of purposeful intent disqualifies sharp power as a suitable explanation for K-pop’s role in the BTS controversy. Where soft power is unsuitable because the effect generated had less to do with attraction and more to do with distortion, sharp power is unsuitable because the effect generated lacked intent.

Passive Cyber Influence

Having attempted to apply various theoretical concepts, the paper may draw three major points regarding the BTS controversy. First, K-pop is attractive to people and thereby exerts influence, as evidenced by the behavior of Chinese and international fans of BTS. This influence also caused some Chinese people (i.e., Chinese fans of BTS) to regard information differently from their compatriots; this is evidenced by how some Chinese netizens continued to support BTS despite their “anti-Chinese” statements in 2020, and the longevity of the Chinese BTS fandom.

Second, through this influence, K-pop had an undermining effect which took place in cyberspace, as evidenced by how the Chinese government was forced to contend with its domestic BTS

fans in 2020 and 2021. Facing its “influenced” citizens (as well as the broader group of international BTS fans), the Chinese government was forced to acknowledge the “undermining” effect K-pop was having on Chinese domestic stability. This acknowledgement manifested in China’s expedient resolution of the online controversy in October 2020 and its regulations against online fan communities in 2021.

Third, the BTS controversy can be characterized by the lack of intent, or passivity, behind the effect induced by K-pop and its fans. “Passive”, as in there was no clear sign that Korea (or indeed any political entity) was deliberately or directly responsible for the effect induced in China. While K-pop is South Korean, it is difficult⁴³ to say that South Korea intended to use K-pop to undermine Chinese domestic stability; more appropriate would be to say that K-pop itself, or at least K-pop fans, were responsible. It is difficult to say whether BTS or K-pop constitute politically motivated, insidious attempts on the part of the South Korean government to purposefully corrode the domestic stability of countries whose citizens enjoy K-pop.

Regardless, deliberate or not, K-pop has exerted a nonnegligible undermining effect on China. Given this distinction, and because the existing theoretical concepts do not sufficiently address this conceptual niche,⁴⁴ this paper introduces “passive cyber influence” (hereafter PCI) as the term for what this paper considers the most suitable theoretical description of what happened during the BTS controversy. K-pop, through BTS, exerted influence over a portion of the Chinese people, thereby manifesting an effect primarily through the medium of cyber. This influence was not exerted directly by a political entity, nor was there any knowable intent behind the effect generated—hence, the influence was passive in nature.

Further thought should be given to whether BTS’s undermining effect was intentional. Is K-pop a government-sponsored operation to undermine select political entities? In the affirmative view, one might point to the South Korean government’s sustained investment in the nation’s cultural industries.⁴⁵ Yet this position is weak as, again, there is little evidence that, despite the South Korean government’s long-running support of its cultural and soft power resources, there was an explicit intent to turn those resources to disruptive ends, much less to turn those disruptive resources against as specific a target as China. One can argue that K-pop is a government-sponsored soft power “operation”—

at best, an example of passive cyber influence, as this paper argues. It is not, however, a deliberate act of state-sponsored subversion.

K-pop, specifically BTS, served as the medium through which PCI was manifested. Although Korea was not directly responsible for K-pop's effect on China, it can be indirectly attributed for facilitating "passive cyber influence" through its support of K-pop and its development of the attractive capabilities of its cultural industries. The validity of the previous sentence will vary if "passive cyber influence" is replaced by "cyber-IW", "cyber soft balancing", "soft power", or "sharp power", but the BTS controversy nonetheless demonstrates the need for a term that can stand independent of existing theories. PCI holds merit as a standalone concept because it offers a distinct set of advantages for its implementers. Individually, these advantages can be found in other concepts. PCI, however, works because it offers all these advantages as a set. This section will elaborate on these PCI-derived benefits, of which there are four.

1. Avenue for Asymmetric Competition

Though it was likely not Korea's intent, K-pop, a Korean cultural resource, seemingly had an undermining effect on China from the viewpoint of the Chinese government. This resonates with the concept of soft balancing, especially the point Pape makes about how less-powerful actors will tend to soft-balance against more powerful actors, given the costs and risks of direct confrontations entailed by the relative differences in their capabilities.⁴⁶ In its efforts to promote its cultural industry (PCI), South Korea inadvertently found a way to undermine China. In the context of the Korea-China "competition," it can be said that South Korea has found a way to wage asymmetric competition and reap asymmetric gains. These gains will continue to be asymmetric as long as South Korean cultural exports remain attractive.

Applied in contexts beyond the Korea-China dyad, PCI is a passive way for smaller powers to viably compete against greater powers and secure their national interests in the process. In short, PCI facilitates asymmetric competition.⁴⁷

2. Plausible Deniability: "Your Problem, Not Mine"

Perhaps the most diabolical aspect of the BTS controversy—and therefore of PCI—is the absence of a clear entity to blame. This runs deeper than

the “attribution dilemma” so often pointed out in cybersecurity.⁴⁸ China may have sought to blame South Korea for the inconvenience caused by K-pop. But to date, China has taken no formal retributive position against the Korean government for its support of K-pop; this is perhaps because the very notion of doing so sounds ridiculous. China cannot condemn Korea for its own citizens’ enjoyment of K-pop and expect to be taken seriously; it is also ludicrous to demonize Korea for creating a cultural brand so “attractive” that it would exert such influence over Chinese people.

In short, manifesting PCI—which Korea has inadvertently allowed by developing K-pop—comes with an almost irreproachable plausible deniability.⁴⁹ When the affected party of PCI criticizes the agent of PCI for causing domestic discord and disunity, the agent may shrug, point to the affected party’s own people, and comment that the people are eager to consume the medium through which PCI is manifested.

The plausible deniability that comes with PCI is also aided by the seemingly harmless nature of PCI mediums. PCI, as manifested in the K-pop phenomenon, has all the trappings of soft power. Though the effect exerted by K-pop during the BTS controversy was closer to sharp power, this does not diminish the general perception of K-pop as an expression of, if not soft power in the technical sense, then at the very least the attractiveness of South Korea’s cultural brand. To the cynically inclined, this veneer of soft power is the perfect smokescreen, especially as the soft power-like aspects of a PCI medium are mostly genuine.

3. Multipurpose Synergy

South Korea’s development of its cultural industries is important to South Korea as it satisfies economic and diplomatic objectives in one fell swoop. Korea’s cultural industries are a lucrative source of economic productivity. For example, Korea’s annual exports of cultural content have shown a consistent increase, with exports growing from \$1.4 billion USD in 2006, to \$4.3 billion USD in 2011, and reaching \$10 billion USD in 2019.⁵⁰ In a study in 2018, BTS was estimated to have generated on average 4.1 trillion Korean Won in annual economic value—roughly equivalent to the combined sales of 26 average mid-sized South Korean companies—and to have been responsible for 1.7 percent of the value of South Korea’s consumer goods exports in 2017.⁵¹ Furthermore, by developing its cultural industries, Korea is able to support its diplomatic initiatives. The so-called “Korean

wave” of Hallyu is used as the basis of cultural diplomacy, supporting inter-state trade, tourism, education, dialogue, and consumerism.⁵²

These points demonstrate that the development of South Korean cultural industries—of which K-pop is a part—serves multiple South Korean national interests. By cultivating the attractiveness and brand message of K-pop, South Korea can synergistically expand its economy, improve its diplomatic relations, and build vigorously supportive groups of regular citizens around the world. With the latter, South Korea can inconvenience, albeit in an undirected sense, the interests of other countries’ governments—this capability was showcased in China during the BTS controversy. A resource that can manifest PCI is a resource that aids in pursuing a country’s national interests in a subtle yet effective way.

4. Efficacy: Memetic, Viral, Unstoppable

Finally, PCI is deemed efficacious, as the effect induced by K-pop in China was nearly unstoppable. K-pop’s ability to attract people from all over the world made the effect tenacious, even if it was not the most extreme in severity or intensity. Quelling or eliminating such attraction-based influence proved to be difficult. This is suggested by the strong presence of Chinese BTS Army fans in 2021,⁵³ even after BTS’ controversial statements in 2020. The ineliminable nature of “attractive” entities, such as BTS and K-pop, is further exemplified by the Chinese government’s ongoing efforts to forcibly regulate online fan communities. These real-world phenomena suggest that it is difficult to contain the effects of PCI.

PCI’s “unstoppable” quality, in turn, stems from its memetic and viral nature. In the BTS controversy, the vessel of PCI was BTS, the K-pop boyband. K-pop, in the form of BTS, in turn exerted memetic influence over its consumers, which means that K-pop’s influence is information-based. Consumers receive information about K-pop, perceive that information to be attractive, and then judge K-pop to be an object of attraction and long-term support. This process describes the mechanism of influence as present in K-pop and is judged to be memetic/information-based. In addition, K-pop can spread rapidly within and across communities by being memetic and viral—in other words, K-pop (and as a consequence, PCI) is viral. The virulence of PCI’s influence makes it harder to contain its effects, which cyberspace has only amplified. PCI mediums can multiply their memetic and viral influence via the interconnective and geographically limitless expanse of cyberspace. K-pop has accomplished

as much through a combination of media, marketing, merchandising, and fan engagement. Even if the Chinese government manages to crack down on online fandom communities, it will find it harder to root out domestic fans' attraction towards BTS, and by extension, towards K-pop. In this case, PCI also demonstrates its similarity with cyber-IW, for both achieve effects through online information and psychology.⁵⁴

Conclusion

It is difficult to qualify PCI as an act of war. Thomas Rid, for example, writes that to be classified as “war”, an act must be lethal, coercive, and politically motivated.⁵⁵ PCI fulfils none of these criteria.⁵⁶ PCI would be better understood as a form of interstate competition, rather than war per se. Competition is a broader, more malleable term; it acknowledges that it is inaccurate to say both that PCI equates to offensive, war-like activity and that PCI doesn't undermine other actors. PCI occupies an unusual niche, where it cannot be called an offensive act (for it lacks the intensity of effect and the conscious direction to qualify as such), nor can it fully be exempted from malignant connotations (given that it possesses diabolically justifiable and manipulative capabilities). This combination of traits suggests that PCI is best viewed as a subtle form of competition that benefits those without the native means to compete against more powerful actors.

This makes sense in the context of South Korea and China. While arguably unintentional, PCI effectively helped South Korea compete against Chinese interests by undermining Chinese national power (vis-à-vis Chinese domestic stability), thus helping secure Korea's interests in the process. Such boost in securing national interest isn't something that can be achieved by relying solely on conventional capabilities, whether it be military might or economic clout.

The plausible deniability offered by PCI is another boon for South Korea, for China cannot reasonably accuse or punish Korea for the attractiveness of its culture. There is nothing outwardly malignant about PCI mediums like K-pop; this confusing “facade-but-not-actually-a-facade”, “propaganda-but-not-really-propaganda” characteristic offers the perfect smokescreen and asymmetric tool for smaller powers. Finally, compounding PCI's value is its “passive”, or undirected, characteristic. China cannot reasonably retaliate against South Korea for something so passive as PCI—meanwhile, the influence exerted by

PCI will continue ever on, passively benefiting Korea by improving its image abroad and undermining potential international rivals, all without needing to input conscious direction. In this light, the passivity of PCI should not be considered a limitation but a critically valuable element.

This is not to overstate the impact of PCI. The BTS controversy was arguably an uncommon example of K-pop—a cultural resource more readily considered a form of soft power—having such a particular effect on a foreign country. It is also very likely that there were additional factors that went into the Chinese government’s decision to behave the way it did in the wake of the controversy: the backpedaling after Zhao Lijian’s statements on October 12 and the slew of online media regulations in September 2021. As an avenue of further research, this paper suggests looking into the motivations and processes that led the Chinese Communist Party to impose its digital media regulations in 2021. Studying the Chinese online media space would be useful for identifying the degree to which the Chinese government considered the influence of foreign online media presences, ideas, and voices on their people when making decisions related to media regulation.

Nevertheless, while the qualities described above are found individually in existing concepts in cyber/IR, the concept of PCI as theorized in this paper is perhaps the first to offer them as a distinct set. In doing so, PCI offers a differentiated concept for understanding international politics, especially in areas where international relations intersects with cyberspace—which the BTS controversy of 2020-2021 exemplifies.

Notes

1 Meicheng Sun and Kai Khiun Liew, "Analog Hallyu: Historicizing K-pop formations in China", *Global Media and China* 4, no.4 (2019): 420, 432.

2 Ashlee Mitchell, "Why Is BTS So Popular? 9 Questions About The K-Pop Phenoms Answered", May 28, 2022, <https://www.grammy.com/news/bts-facts-proof-k-pop-butter-dynamite-records-collaborations-songwriters>.

3 The Korea Times, "BTS fans upset over China backlash on RM's Korean War remarks", updated October 13, 2020, https://www.koreatimes.co.kr/www/art/2020/10/398_297508.html.

4 Tiffany May and Amy Chang Chien, "BTS Honored Korean War Sacrifices. Some in China Detected an Insult", *The New York Times*, October 12, 2020, <https://www.nytimes.com/2020/10/12/business/bts-korean-war-china-samsung.html>; Allkpop, "Chinese netizens are angry over RM's '6.25' Statement and cause Korean companies such as Samsung and FILA to take down all BTS advertisements in China", October 12, 2020, <https://www.allkpop.com/article/2020/10/chinese-netizens-are-angry-over-rms-625-statement-and-cause-korean-companies-such-as-samsung-and-fila-to-take-down-all-bts-advertisements-in-china>.

5 Reuters, "Big-brand BTS promotions disappear as band sparks uproar in China", October 12, 2020, <https://www.reuters.com/article/idINKBN26X1BF?edition=direct=in>; BBC News, "BTS in trouble in China over Korean War comments", October 13, 2020, <https://www.bbc.com/news/world-asia-54513408>.

6 Julia Yeo, "'Nation before idols': Chinese netizens boycott BTS for hurting their feelings over Korean War comment", *Mothership.sg*, October 14, 2020, <https://mothership.sg/2020/10/bts-china-korean-war/>; The Korea Times, "BTS fans upset over China backlash on RM's Korean War remarks", https://www.koreatimes.co.kr/www/art/2020/10/398_297508.html.

7 Bruce Haring, "China's Weibo Social Media Bans BTS Fan Account As 'Butter' Single Blows Up YouTube", *Deadline.com*, May 22, 2021, <https://deadline.com/2021/05/china-weibo-social-media-bans-bts-accounts-butter-single-youtube-1234762438/>.

8 "BTS' fan club accounts suspended under campaign against irrational idol-chasing behaviors", *Global Times*, May 21, 2021, <https://www.globaltimes.cn/page/202105/1224136.shtml>.

9 Aljazeera, "K-pop crackdown: China social media giant bans BTS fan account", September 7, 2021, <https://www.aljazeera.com/economy/2021/9/7/k-pop-crackdown-china-social-media-giant-bans-bts-fan-account>; The Korea Times, "Crackdown on fan clubs", *Koreatimes.co.kr*, updated September 7, 2021, https://www.koreatimes.co.kr/www/opinion/2021/10/202_315185.html; The Associated Press, "China's Weibo Bans BTS Fan Account for Illegal Fundraising", *Bloomberg.com*, September 6, 2021, <https://www.bloomberg.com/news/articles/2021-09-06/china-s-weibo-bans-bts-fan-account-for-illegal-fundraising>.

10 Yonhap News Agency, "BTS fans upset over China backlash on Korean War remark", October 13, 2020, <https://en.yna.co.kr/view/AEN20201013005500315>.

11 Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference on October 12, 2020", October 12, 2020, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1823343.shtml.

12 Robbie Hu and Zeerak Khurram, “China cracks down on fan groups, bans celebrity rankings as Beijing targets stars’ influence”, NCB News, August 30, 2021, <https://www.nbcnews.com/news/world/china-cracks-down-fan-groups-bans-celebrity-rankings-beijing-targets-n1277793>.

13 Tiffany May, “Chinese Social Media Site Suspends K-Pop Fan Accounts”, The New York Times, September 6, 2021, <https://www.nytimes.com/2021/09/06/business/china-bts-kpop-fans.html>; The Korea Times, “Crackdown on fan clubs”, https://www.koreatimes.co.kr/www/opinion/2021/10/202_315185.html.

14 While this statement is admittedly speculative, there are historical parallels that support it. Xi has eliminated rivals and tightened control during times of succession before, such as removing political rival Bo Xilai from power in 2013 and “disappearing” outspoken CEO Jack Ma in 2020. Sun-hwa Dong, “Is K-pop an unwelcome guest for China?”, The Korea Times, updated September 21, 2021, https://www.koreatimes.co.kr/www/art/2021/09/732_315593.html; Haley Yang, “China ‘stabs itself in the eye’ with pop culture regulations”, Korea JoongAng Daily, September 14, 2021, <https://koreajoongangdaily.joins.com/2021/09/14/entertainment/kpop/china-kpop-ban-Rectification-Movement-Operation-Qinglang/20210914150300686.html>.

15 As evidence of this, the paper points to the Global Times’ withdrawal of their critical article after Zhao Lijian’s conciliatory statements in October 12. See Sang-Chul You and Sung-Eun Lee, “Brouhaha over BTS in China is blowing over”, Korea JoongAng Daily, October 13, 2020, <https://koreajoongangdaily.joins.com/2020/10/13/national/socialAffairs/bts-van-fleet-kpop/20201013193400349.html>; Newsis, “China quiets a day after denouncing BTS, attesting BTS’ stature”, Chosun.com, September 13, 2020, https://www.chosun.com/entertainments/enter_general/2020/10/13/5DJT6WGVZNC-KJEGK6ENOGWYMQA/.

16 Namely: cyber information warfare, cyber soft balancing, soft power, and sharp power.

17 Where “warfare” is taken to mean any action made with the intention of competing against international actors; this is opposed to the stricter description of “warfare” which limits the range of actions to those made during an active, kinetic war. Under the broader definition utilized by this paper, “warfare” can be extended not just to the waging of war, but the steps taken to prepare for either kinetic military conflict or general interstate competition. This means that “warfare” includes the buildup of one’s capabilities such as economic development or nationalistic unity, so long as those capabilities enhance the country’s ability to compete effectively against others. In this sense, “warfare” includes active warfighting as well as internal and external balancing (again, to the extent that internal and external balancing are understood as preparatory measures which enhance a country’s ability to compete against rivals).

18 Operating under the impression that the BTS controversy presents a somewhat unique case study, given the nature and relationship of the political actors involved (South Korea and China).

19 Weldes and Rowley introduces media and popular culture as relevant subjects for study in the discipline of world politics. The authors give examples of how media and popular culture is used, and the roles they’ve played, in world politics. Examples of such include propaganda, cultural diplomacy, their impact on political economy, their ability to set domestic and international narratives, and so on. See Jutta Weldes and Christina Rowley, “So, How Does Popular Culture Relate to World Politics?” in *Popular Culture and World Politics: Theories, Methods, Pedagogies*, ed. Frederica Caso and Caitlin Hamilton, (Bristol, UK: E-International Relations Publishing, 2015), 13-24.

20 Lin and Kerr describe cyber-IW—or as the authors call it, “cyber-enabled information/influence warfare”—as the deliberate use of modern information technologies to “confuse, mislead, and ultimately to influence the choices and decisions that the adversary makes.” Herbert Lin and Jackie Kerr, “On Cyber-Enabled Information/Influence Warfare and Manipulation”, Center for International Security and Cooperation. Working paper, August 2017, 4, 11. In addition, social media has also been touted as an avenue for modern cyber-IW and influence operations; in this interpretation, social media is viewed as a channel for propaganda, which Prier describes as the spreading of messages designed to influence behavior. See Jarred Prier, “Commanding the Trend: Social Media as Information Warfare”, *Strategic Studies Quarterly* 11, no. 4 (Winter 2017): 56

21 Herbert Lin and Jackie Kerr, “On Cyber-Enabled Information/Influence Warfare and Manipulation”, 5-6.

22 Where Martin C. Libicki defines subversion as the act of “usurp[ing] the normal state in which systems do only what their owners want. Instead, they do things hackers want.” This opens cyber-IW to a broader range of cyber-activities, of which Libicki mentions only one that is pertinent to this paper’s discussion—psychological operations. Martin C. Libicki, “The Convergence of Information Warfare”, *Strategic Studies Quarterly* 11, no. 1 (Spring 2017): 51-52.

23 *Ibid.*, 54-57.

24 *Ibid.*, 56.

25 This is reflected in real-world and oft-touted examples of cyber-IW, such as Russia’s cyber-IW operations against the US in the latter half of the 2010s. Examples include Russia’s use of WikiLeaks to deliberately leak sensitive American intelligence, its spreading of disinformation regarding the Black Lives Matter movement, and its spreading of polarizing political narratives during the 2016 elections. By using cyber-IW thusly—to intensify sociopolitical polarization within the US—Russia was able to achieve the overall strategic effect of eroding American domestic stability, thereby giving Russia a relative advantage over the US. See Jarred Prier, “Commanding the Trend: Social Media as Information Warfare”, 67-71.

26 Disinformation—a major element of information warfare, especially in the realm of social media—was not an involved element in the BTS controversy. In that sense, BTS/K-pop didn’t “pollute” China’s information space, so much as shape it in the way regular information-sharing or cultural influences do. Perhaps an argument can be made that influence by way of regular information-sharing and cultural influences—as was present in BTS vis-à-vis the BTS controversy—does count as information warfare, but such a broad categorization makes the concept of “information warfare” less useful. For more information on the theoretical role social media can play when disseminating disinformation and conducting information warfare, see Hannah Matthews, “Social Media as Information Warfare”, *Strategic Multilayer Assessment*, white paper, August 2021, 7-8, retrieved from https://nsiteam.com/social/wp-content/uploads/2021/08/IIJO_eIntern-IP_Social-Media-as-IW_Matthews_FINAL.pdf; Wayne D. Lonstein, “Social Media – The Next Battlefield in Information Warfare”, in *Disruptive Technologies with Applications in Airline & Marine and Defense Industries*, ed. R.K. Nichols, S. Sincavage, H.C. Mumm, eds, (Manhattan, Kansas: New Prairie Press, 2014), 405-411.

27 Robert A. Pape, “Soft Balancing against the United States”, *International Security* 30, no. 1 (Summer 2005): 10.

28 Kai He and Huiyun Feng, “If Not Soft Balancing, Then What? Reconsidering Soft Balancing and U.S. Policy towards China”, *Security Studies* 17, no. 2 (2008): 372-373; Daryl Bochetto, “Virtual Theory: Integrating Cybersecurity into International

Relations Theory”, *The Journal of Interdisciplinary Global Studies* 12, no. 4 (January 2018): 13-14.

29 He and Feng, “If Not Soft Balancing, Then What?”, 373-374.

30 John R. Lindsay, “Stuxnet and the Limits of Cyber Warfare”, *Security Studies* 22, no. 3 (2013): 375.

31 The case for “cyber soft balancing” is made, alongside real-world examples evincing the concept, in Daryl Bockett, “Virtual Theory: Integrating Cybersecurity into International Relations Theory”, 14-15, 20-25.

32 The South Korean Ministry of Culture has, for example, launched a new Hallyu department in 2020. Seung-hyun Song, “South Korea’s culture ministry launches Hallyu department”, *The Jakarta Post*, June 8, 2020, <https://www.thejakartapost.com/life/2020/06/08/south-korean-culture-ministry-launches-hallyu-department.html>. In addition, the South Korean state has used venture capital financing policies to support its cultural markets and industries (including K-pop). Hye-Kyung Lee, “Supporting the cultural industries using venture capital: a policy experiment from South Korea”, *Cultural Trends* 31 (2021): 47-67.

33 For emphasis, fans who were multinational in composition, and not strictly Korean.

34 That of hastily cutting short the brewing online furor in October 2020 and cracking down on online fan communities in September 2021.

35 Joseph S. Nye, Jr., “Public Diplomacy and Soft Power”, *The ANNAS of the American Academy of Political and Social Science* 616, no. 1 (March 2008): 95.

36 Nye explains that a country’s soft power is generated from three tangible or intangible resources, the first of which—the attractiveness of the country’s culture—most directly relates to BTS and K-pop, and therefore the BTS controversy. The other two sources of soft power include the integrity of a country’s political values (i.e., whether the country’s actions live up to the values it purportedly espouses) and others’ perception of the legitimacy and morality of its foreign policies. Nye, “Public Diplomacy and Soft Power”, 96-97.

37 Though it might sound ominous, the “exertion of influence” via soft power is largely irrelevant to morality or decency. The point of exerting influence in international politics is to achieve political aims. When such aims are to provide for the national interest or national security, morality becomes a gray area. If anything, influence via soft power could be argued to be more moral compared to influence via hard, coercive power. At the very least, the idealized conception of soft power entails genuine attraction, and therefore implies that soft power-affectees willingly (and/or unconsciously) consent to the influence being exerted upon them.

38 Christopher Walker, “What is “Sharp Power?”” *Journal of Democracy* 29, no 3 (July 2018): 11-12. Additionally, activities that achieve the purported effects of sharp power can masquerade as soft power, which makes it troublesome to distinguish between the two concepts. For more on how the two concepts might be differentiated, see Joseph S. Nye, Jr., “China’s Soft and Sharp Power”, *Project Syndicate*, January 4, 2018, <https://www.project-syndicate.org/commentary/china-soft-and-sharp-power-by-joseph-s-nye-2018-01>.

39 In the case of sharp power, the influence being exerted is characteristically manipulative and distortive.

40 As in, there is little indication that Korea intended to use BTS, K-pop, or its fans to deliberately twist the hearts and minds of the Chinese people against the desires of the Chinese government.

41 Christopher Walker, “What is “Sharp Power”?”, 15-16.

42 If anything, the intent behind K-pop is more likely to be economic (on the part of Korean businesses) and public diplomacy/nation-branding (on the part of the government).

43 If not impossible, especially without deep knowledge of the inner workings of the South Korean decision-making elite and the ideas, rationale, and processes with which they formulate and implement policies.

44 Either because they are incompatible or too conceptually vague (e.g., soft power), talk about things that wasn’t present during the BTS controversy (e.g., cyber-IW and disinformation), or do not specify how to categorize cases in which the actor was passive.

45 Shain Shapiro, “Want Proof Investing In Music Works? Look At South Korea”, Forbes, July 6, 2021, <https://www.forbes.com/sites/shainshapiro/2021/07/06/want-proof-investing-in-music-works-look-at-south-korea/?sh=60424a7fcb4b>. The increasing capital budget allocated for the South Korean government’s “cultural industries fund” further signify the government’s interest in directly supporting its cultural industries – the budget was 108bn Korean Won (KRW) in 2019, 146bn KRW in 2020, 144bn KRW in 2021, and 164bn in 2022. Republic of Korea Ministry of Culture, Sports, and Tourism, “2022nyeondo motaependeu munhwagyejeong unyonggyehoeok” (“Operation Plan in 2022 for the Culture Account of the Fund of Funds, or the Cultural Industries Fund”, December 2021, accessed via https://www.mcst.go.kr/kor/s_data/budget/budgetView.jsp?pSeq=907#).

46 Robert A. Pape, “Soft Balancing against the United States”, 9-10.

47 The keyword here being “competition”, not “conflict”. Smaller powers cannot be expected to engage in direct conflict against great powers, not without significant promises of support from even greater-power patrons. Nevertheless, smaller powers—as do most other entities in international politics—will continue to seek out their core interests even in the face of great powers. If great powers obstruct these interests, and the further pursuit of those interests threaten to lead to direct conflict, then smaller powers will likely drop the matter or defer the challenge to their partners or patrons.

48 A perennial headache for actors in international relations is the difficulty in accurately attributing a given cyberattack or cyber-operation to its perpetrator. See P.W. Singer and Allan Friedman, *Cybersecurity and Cyberwar: What Everyone Needs to Know* (New York: Oxford University Press, 2014), 72-76, 145-146.

49 A condition under which a person or persons’ culpability might be denied, or at least mitigated, by pointing to a situation that either leads them to take the action they took, or to deny that they were responsible in the first place.

50 UNCTAD, *Strengthening the Creative Industries for Development in the Republic of Korea*, UNCTAD/DITC/TED/2017/4 (July 6, 2017), https://unctad.org/system/files/official-document/ditcted2017d4_en.pdf, pp. 27.; Yonhap News Agency, “Exports of cultural goods tops US\$10 bln on games, character IPs”, en.yna.co.kr, July 7, 2020, <https://en.yna.co.kr/view/AEN20200707008300315>.

51 Hyundai Research Institute, “Bangtansonyeondan(BTS)ui gyeongjaejeok hyogwa” [Economic impact of Bangtan Sonyeondan (BTS)], Hyeonangwa gwajae

(2018): 4.

52 Joseph S. Nye, Jr. and Youna Kim, *South Korean Popular Culture and North Korea* (London: Routledge, 2019), 43-46.

53 As perhaps best evidenced by the 2021 “fundraising” event that occurred on a Weibo-based Chinese BTS fan account, which raised over \$350,000 in a day to cover an airplane with images of a BTS member. Sun-hwa Dong, “Is K-pop an unwelcome guest for China?”, https://www.koreatimes.co.kr/www/art/2021/09/732_315593.html.

54 Herbert Lin and Jackie Kerr, “On Cyber-Enabled Information/Influence Warfare and Manipulation”, 11-14.

55 Thomas Rid, “Cyber War Will Not Take Place”, *Journal of Strategic Studies* 35, no. 1 (2012): 7-10.

56 It must be reminded that BTS is still a music group. Therefore, BTS itself is apolitical, even if there was a political dimension to the effect created by BTS’ popularity (i.e., causing disruption in China’s domestic affairs).

Exploring the “Pyonghattan” Elite: A Glimpse into their Lives and Prospects in a United Korea

Liam Vincent Quinn

(Yonsei University)

Despite decades of division, the assumption that Korean reunification eventually will occur remains. In South Korea, there is an expectation that due to the nation’s economic and demographic dominance over its Northern counterpart, any occurrence of reunification would be led by the South. Yet, this paper explores the reunification process in relation to the lives of the North Korean “Pyonghattan” elite, a group whose significance has been overlooked in South Korean-led reunification discourse. After exploring the economic, social, and political significance of this elite North Korean group, this paper demonstrates why and how they may be significant in the reunification process. Moreover, this paper identifies three main areas of concern likely anticipated by the North Korean “Pyonghattan” elite regarding Korean reunification—their economic status, social status, and safety. For Korean reunification to occur, it is crucial for the South Korean government to address such concerns through effective policy and communication.

Introduction

The process toward the reunification of the Democratic People’s Republic of Korea (North Korea) and the Republic of Korea (South Korea) into one single Korean sovereign state has been underway since the June 15th North–South Joint Declaration in June 2000. This was reaffirmed by the subsequent Panmunjom Declaration for Peace, Prosperity and Unification of the Korean Peninsula in April 2018 as well as the statement at the Singapore Summit in June 2018 between the Democratic People’s

Republic of Korean Supreme Leader, Kim Jong-un, and the then-US President, Donald Trump.¹

It is possible to argue that both Koreas harbor a shared aspiration for reunification as a paramount objective. However, their perceptions of the reunification process diverge significantly and are shaped by distinct conditions and circumstances. North Korea emphasizes the preservation of its political system and national identity, often advocating for a gradual and controlled integration. On the other hand, South Korea envisions reunification based on democratic principles, a market-oriented economy, and a desire for a rapid assimilation of North Korea into its existing framework.²

This idea of a rapid assimilation of North Korea into South Korea's existing framework is a prevalent underlying assumption in South Korea and across international communities. The idea is that, due to South Korea's economic and demographic dominance and prominent role in global affairs compared to North Korea, South Korea would essentially take the lead in any such reunification process.³ It is important to emphasize that this presumption is a constructed narrative that exists within certain social and literary contexts, particularly in the field of Korean and international studies. The idea of South Korea taking the lead in a reunification process should be approached critically, with an understanding of its subjective nature within academic discourse. For the purpose of this essay, the implications of reunification led by the South will be explored, particularly in terms of North Korea's elite population and their potential aspirations and concerns.

One consequence assuming reunification under South Korea is the potential risk of overlooking the concerns that exist among diverse groups in North Korea. Moreover, in academic literature that examines the human rights and socioeconomic conditions in North Korea, there is a tendency to portray North Koreans as a homogenous group of people who are overwhelmingly impoverished and subject to the control of the ruling North Korean Workers' Party elite.⁴ These studies often highlight and only focus on the widespread poverty, hunger, and lack of basic human rights and freedoms experienced by the majority of North Koreans under the regime. One group that is often overlooked in the reunification process is the elite in North Korea, whose general view is that reunification led by South Korea would be disadvantageous for them economically, socially, and politically. They essentially view reunification as a process

in which they would be unlikely to survive.⁵ Yet, if the perspective of this group is not taken into consideration when developing reunification protocols, it is unlikely reunification can occur in a smooth manner.

This paper is divided into two main sections. The first part focuses on analyzing this under-researched group of the North Korean “Pyonghattan” elite, including their economic, social, and political significance in North Korea. The second part applies this knowledge within a reunification framework to understand why and how the North Korean elite should be considered in the process of reunification. This includes how they may perceive the process of reunification, why they are an important factor in negotiating the process of reunification, and what potential strategies could be implemented by the South Korean government to ensure effective consideration of this group.

Literature Review

Through an examination of the relevant literature, two gaps were identified for exploration in this research. “Pyonghattan” elite in North Korea were found to be an overwhelmingly unexplored group in general. Much of the literature surrounding the lives of North Koreans tends to generalize the lives of North Koreans in terms of the poor majority, who live in poverty, or focus solely on top leaders in the North Korean Workers’ Party of Korea, but limited literature focuses on the economic and social elites residing in Pyongyang. Information about who this group is, how they live, and their social significance was found to be lacking.⁶ This is somewhat understandable, given that the “Pyonghattan” elite make up a small percentage of the population, and their lives are not reflective of the average North Korean. Empirical evidence suggests that North Korea’s “Pyonghattan” elite, who enjoy higher social status and better living conditions compared to the general population, are significantly less likely to defect from North Korea than the rest of the population. According to a 2016 survey of 300 North Korean defectors conducted by the Database Center for North Korean Human Rights, only 4.3 percent of defectors belonged to the upper class, compared to 60.6 percent who were from the working class and 35.1 percent from the middle class.⁷ Limited testimonials from defectors of the elite group further support this notion, as many of the known defectors are from the lower and middle classes.⁸ This paper attempts to utilize available research to explore the lives of this group in North Korea, under the supposition that doing so will be an essential

step in creating the necessary environment for reunification to occur.

Secondly, this paper found that a large majority of the literature surrounding Korean reunification focuses on the process from a South Korean perspective, under the assumption that South Korea will lead and control the reunification process.⁹ Meanwhile, very limited literature considers an equal merging of the two systems or the prospects of a North Korean-led reunification process. Often overlooked in these South Korean-led reunification discussions are the diverse groups that exist in North Korea and their different perspectives, desires, and hopes for the reunification process. This has hindered the opportunity to understand how reunification is viewed by diverse groups in North Korea of different economic, social, and political status. Thus, this paper attempts to fill this gap by exploring a unique and under-researched group in North Korea—the “Pyonghattan” elite.

The research question will be, “Why and how should the North Korean ‘Pyonghattan’ elite be considered throughout the process of a reunification led by South Korea?” This paper hypothesizes that through exploring the “Pyonghattan” elite in North Korea, readers can gain a better understanding of the conditions that the South Korean government should consider when it comes to reunification. The views the “Pyonghattan” elite toward Korean reunification are expected to be less than favorable, and given their power and position, it will be essential for the South Korean government to develop relevant social and economic policies that would appeal to this group. Without doing so, reunification would be more unlikely to ever occur.¹⁰

Methodology

The collection of relevant information for the study of reunification in relation to the “Pyonghattan” elite of North Korea has proven to be difficult. North Korean studies in general suffer from a lack of primary sources, often depending solely on testimonies of North Korean defectors, which can pose a variety of validity and reliability concerns.¹¹ Additionally, focus on a niche group of North Koreans, the “Pyonghattan” elite, further exacerbates the challenge of attaining relevant information.

Thus, this research employs a methodology that incorporates secondary research from sources, such as scholarly papers and documentaries. Additionally, primary information has been obtained through a combination of case studies, YouTube videos, interviews,

and speeches involving defectors. This multi-faceted approach aims to compensate for the scarcity of primary sources and provide a comprehensive understanding of the “Pyonghattan” elite and their role in the reunification process.

The “Pyonghattan” Elite

Scholars and journalists have used the term “Pyonghattan” to refer to the world of North Korea’s elite residing in Pyongyang, which has been depicted in both media and academic literature as a parallel universe to Manhattan, New York in the US. This includes descriptions of luxurious lifestyles and access to Western consumer goods, which is in stark contrast with the rest of North Korea’s population living in poverty and oppression. Similarly, other studies have highlighted this group’s exclusive nature, significant power and wealth, and relative isolation from the rest of North Korean society.¹² As the capital of North Korea, Pyongyang is a city of megalomaniacal architecture and public spaces, including immense palaces, coliseums, grandiose boulevards, skyscrapers, and prim gardens. Moreover, it is the stomping ground of the North Korean elite, who have access to the best education, housing, food, and medicine the country has to offer.¹³ Curtis Melvin, a researcher at The Korea Development Institute, used satellite imagery to discover Pyongyang’s recent boom in construction, including the building of department stores, housing, movie theatres, karaoke bars, sports and cultural centers, as well as amusement parks and aquariums.¹⁴ This boom has been particularly prevalent since Kim Jong-un assumed power and put into practice his aims to modernize the city of Pyongyang. He has cultivated a group of young, cosmopolitan Pyongyang elite by allowing foreign currency flow and pushing state resources into housing, consumer, and leisure projects, as well as supporting the building of new apartments, such as Ryomyong Street in 2017 and Mirae Scientist Street in 2015.¹⁵

From cosmetic surgery to ski resorts, the “Pyonghattan” elite in North Korea are able to live a life of relative luxury. Pyongyang’s elite have access to international dining experiences, including Japanese and Italian restaurants, that are not accessible to the rest of the country’s population.¹⁶ While North Korean state media tightly controls access to outside media, there are reports that the elite in Pyongyang have access to international movies, music, and TV shows through illegal means.¹⁷

While fashion is regulated by the state, and certain items, such as short skirts and sleeveless shirts are prohibited, for the “Pyonghattan” elite, items from global and luxury brands are available for purchase.¹⁸

Meanwhile, it is important to note that despite the apparent existence of a normal or even luxurious lifestyle for the elite, the majority of North Koreans continue to face significant challenges. This includes limited access to basic necessities such as food, healthcare, and electricity, as well as widespread human rights abuses by the regime. A United Nations report in 2014 accused the North Korean government of committing crimes against humanity, including torture, rape, forced abortions, and starvation.¹⁹ These factors combine to make life extremely difficult for the overwhelming majority of North Koreans, even as a small elite enjoy privileges not available to the rest of the population. According to a report by *The Chosun Ilbo*, a South Korean newspaper, the average monthly salary of North Koreans is around 4,000 to 5,000 North Korean Won, which is roughly equivalent to US \$4-6.²⁰ This amount is barely enough to cover essential needs, such as food, clothing, and housing. The cost of living in North Korea is generally high, and prices for basic needs have risen in recent years due to international sanctions and a shortage of foreign currency. For instance, a kilogram of rice costs around US \$1.50-2.50 in local markets, while a liter of cooking oil costs around US \$7-10. These prices are beyond the means of most North Koreans, who struggle to make ends meet.²¹ Hence, the economic disparities between the “Pyonghattan” elite and the rest of the North Korean population are significant. The elite enjoy access to luxuries and amenities that are unavailable to most people in the country while the average North Korean struggles to afford basic necessities.

Social groups can be understood through North Korea’s political caste system, referred to as *songbun*, which has been used to classify the nation’s population. All adults are divided into one of three groups (and 51 subgroups) based on the regime’s perception of the individual’s political reliability given their family’s loyalty to the regime. The three main groups are “core,” “wavering,” and “hostile.” The “core” class consists of high-ranking military officials, diplomats, and successful businessmen. The “wavering” class consists of ordinary peasants and low-ranking office workers. The “hostile” class consists of political dissidents and criminals, as well as capitalists and former landowners. Due to the predetermination of life trajectories within

songbun, it offers little reward for individual ambition and initiative as it is primarily measured by a family's historical loyalty to the regime.

Given the high status and privilege enjoyed by the "Pyonghattan" elite, it is reasonable to gather that many members of this group occupy the "core" class in the *songbun* system, which includes individuals who have demonstrated exceptional loyalty to the regime and are therefore afforded greater social and economic opportunities. Yet, there are some important distinctions to be made in acknowledging the "Pyonghattan" elite in relation to the *songbun* system. The *songbun* system is a caste-like, social stratification system that is officially recognized and enforced by the North Korean government, and individuals at the top of the *songbun* totem pole are those who are deemed most loyal to the regime and are therefore granted the greatest privileges and opportunities. Meanwhile, the "Pyonghattan" elite are not officially recognized nor defined by the North Korean government or any authoritative body. This means that it is difficult to determine an exact number of individuals who make up this group and make definitive statements about the overlap between these two groups.

In recent years, the songbun system in North Korea has faced significant challenges to its relevance due to the emergence of private economic activities. The rise of private economic activities, which began in the 1990s after the collapse of the Soviet Union and the subsequent loss of North Korea's primary trading partner, has resulted in a shift in the traditional power structure of North Korea.²² These economic activities have created new opportunities for social mobility, as individuals are able to accumulate wealth and influence outside of the *songbun* system. This change in fluidity has threatened the relevancy of the *songbun* system in two key ways. Firstly, individuals who were previously marginalized by the system are now able to accumulate wealth and status, thus eroding the strict social hierarchy imposed by the system. Secondly, the regime is losing its grip on the economic activities that are occurring outside of the songbun system, which undermines its ability to control and monitor its citizens. As a result of this, some scholars have noted now North Koreans are considered more heavily based on their wealth, rather than on which positions they hold in the party, as in the past.²³ While family background still plays a role in determining a person's social status, money and wealth are also becoming more important in determining one's opportunities and success. The emergence of the "Dongju" exemplifies this.

“Dongju” can be translated as “masters of money” and refers to a new, specific group of elites that has developed since the late 1990s in the city of Pyongyang. The “Dongju” are known for their entrepreneurial activities in various sectors of the North Korean economy, including trade, manufacturing, and transportation. A significant number of “Dongju” partake in supplementary income production, including trading items such as clothes, apartments, and technology. This group emerged through a harsh period of food shortages known as the “Arduous March”. It is during this time North Koreans gathered to exchange daily necessities, naturally forming an unofficial market known as *jangmadang*. The primary area of the “Dongju’s” work is wholesale trade, usually with Chinese firms as partners, which allows them to supply the national markets with goods and export domestic products. Some “Dongju” operate as banks, providing loans and deposits for investment and payment for transactions and taking advantage of the lack of financial institutions in North Korea. The “Dongju” also make money in the housing market by providing capital and materials needed for apartment construction and in return, receive the right of residence, which they sell to make a profit. Bribery is said to be a key aspect of the “Dongju’s” operations to obtain more political power, military exemptions, and higher education opportunities for their children. In the early 2000s, the “Dongju” were said to have made annual earnings of around US \$50,000, but today can earn over US \$1 million. This group continues to become richer, flourishing more every year in spite of the government’s legal restrictions and international sanctions.²⁴

While the “Dongju” operate alongside the *songbun* system, they exist outside of the traditional social hierarchy in some ways. Their ability to bring in direct flows of capital has arguably allowed them to have their own unique status separate from the official political caste system. This is because this new elite group has grown to a point that it holds real economic power and can exercise control over the domestic economy by acting as smugglers, brokers, and financiers for North Korean citizens. The business practices of “Dongju”, such as loaning money and owning private property, may be illegal, yet, a *de facto* alliance has formed between the regime and the “Dongju” since this group has worked to become the primary source of food and goods for the majority of the population. Hence, the “Dongju” support state stability by easing material scarcities and offering employment, which is very much recognized by the regime.²⁵

Therefore, while the core class in the *songbun* system is made up of individuals who were born into politically privileged families, the “Dongju” are primarily entrepreneurs who have amassed wealth and influence through their business ventures. Yet, despite their different backgrounds, many members of the “Dongju” are likely to have connections to the core class through family or business ties. Additionally, there may be instances where members of the “Dongju” are able to leverage their wealth and influence to gain access to political power, potentially bringing them into the orbit of the core class. It is worth noting that while the “Dongju” may not be part of the formal political hierarchy in North Korea, their economic power and influence can still give them significant sway over the country’s direction. Moreover, some members of the “Pyonghattan” elite may be among the top echelons of the *songbun* system, afforded with the highest levels of political and social power in North Korea. Particularly, as the nature and importance of the system changes, more members of the “Pyonghattan” elite may have connections to the “Dongju”, either through business relationships or family ties. Understanding the “Pyonghattan” elite in relation to the *songbun* system and the emergence of the “Dongju” demonstrates the complex web of power and influence in North Korea and shows that there are different groups within the “Pyonghattan” elite with distinct interests and expectations.

Even the North Korean government itself has acknowledged the importance of this elite group in maintaining economic and social stability within the country. Official statements and policies from the regime have underscored the role played by this privileged class in contributing to the overall functioning of the nation, particularly in terms of their economic resources, networks, and capabilities.²⁶ Recognizing their role, the regime has sought to foster a relationship with this elite group, utilizing their expertise and connections to facilitate economic development and ensure a smoother transition during times of potential change, such as reunification. Understanding the significance attributed to the “Pyonghattan” elite by the North Korean regime provides valuable insight into their potential role in shaping the future of a unified Korea.

The “Pyonghattan” Elite and Reunification

The two Koreas may seem worlds apart, given the differences in the economic, social, and political structures that make up each country. Yet despite decades of division, there is an underlying assumption that

Korean reunification will occur one day.²⁷ Changes in global politics, such as the 2019 summit between then-US President Donald Trump and the Supreme Leader Kim Jong-un, raised the potential for normalized relations between North and South Korea and opened the doors for possible Korean reunification. Yet, the range of issues that remain in attempting to create unified systems in the workforce, education system, military, healthcare, and other sectors should not be underestimated.²⁸

South Korean public opinion on reunification is varied. According to the Korea Institute for National Unification, the vast majority of South Koreans under 40 years old are not in support of reunification, primarily due to the economic challenges expected by a unified economy. In fact, studies show that young South Koreans are becoming increasingly hostile to the North.²⁹ Meanwhile, for older generations in South Korea, the concept of reunification is seen as a national mission or humanitarian realization. However, the common ground in South Korea regarding reunification is how it would be carried out. Due to South Korea's economic standing, large population, and global reputation, there is an underlying assumption that unification would be led by the South.³⁰ It is important to note that like South Korea, North Korea has historically asserted its own requirements for reunification and shown a preference for negotiations and agreements that align with their own interests. While reunification may be an aspiration for North Korea in certain aspects, they are likely to reject a reunification process that is solely based on South Korean terms. Therefore, this perspective of reunification on South Korean terms must be approached critically and with an understanding of its subjective nature.

One consequence of this predisposition is the risk of overlooking the concerns among diverse groups in North Korea. The "Pyongyang" elite's general view is that reunification would be disadvantageous for them economically, socially, and politically.³¹ If such perspectives are not considered when developing appropriate reunification measures to appease this group, it is likely that the process would become more difficult, costly, or potentially fail altogether. Due to the widespread belief that the South will lead the process, there is likely to be backlash among this group. They may feel subjected to transnational justice and disenfranchisement. In fact, North Korean propaganda has worked to capitalize on this by convincing North Korean elites that unification would not be beneficial for them. A common propaganda statement

circulated among the elite in North Korea is that South Korea will exterminate the core class families first, which has likely worked to make the “Pyonghattan” elite more fearful of unification and hostile toward the idea.³² Considering the economic, social, and political status of the “Pyonghattan” elite, this paper has developed three main areas that would likely concern them regarding reunification led by South Korea, which include their economic status, social status, and safety. This paper proposes that these are the three areas that the South Korean government must address when formulating their reunification policies.

Firstly, in terms of economic status, the North Korean “Pyonghattan” elite are likely to believe that they would be significantly disadvantaged after reunification. Hence, it is essential for the South Korean government to allow North Korean elites to retain elements of their accumulated wealth and job positions inside a unified Korea. Policies related to wealth retention of the North Korean elite may be necessary, such as through a generous tax application. This should be applied in spite of such wealth potentially coming from illegal means such as bribery and fraud. A former Inha University professor has argued that the elites in North Korea should essentially be paid in order to achieve Korean reunification. By adopting a culturally materialist approach, Shepherd Iverson argues that financial incentives will put an “insurmountable domestic pressure on the elites”. The idea is that creating a reunification investment fund of about US\$175.5 billion and giving 23.3 billion of that to North Korean elites could be an essential first step in gaining the trust of this group so that their economic position can be maintained in a reunified Korea.³³

Secondly, in terms of social status, since the “Pyonghattan” elite are extremely influential and hold important positions in society in Pyongyang, it will be necessary for this group to maintain a degree of respect and stature as citizens in a reunified Korea. In particular, due to the songbun system in the North, certain families who have experienced privilege across various social institutions, including the education and healthcare systems, will be unlikely to support the process of reunification unless assured they will maintain such privileges. The South Korean government must find a way to compromise and grant some degree of privilege to this group, but in a way that strikes a balance in providing fair opportunities for other citizens and avoids elements of corruption. In the event that “Pyonghattan” elite are able to maintain

high social positions, potential backlash among South Koreans must also be considered.³⁴ Additionally, while the professional skills of North Koreans may be lacking, it would be essential that this group is given the opportunity to adapt, train, and improve their skillset in a reunified Korea. For example, North Korean elite could be granted the chance to take on high government positions, such as working to help with the reunification integration process.

Thirdly, in terms of safety, the “Pyonghattan” elite are likely to have concerns that reunification would lead to their own imprisonment or death due to any past exploitative, illegal actions in North Korea. While the reunified government should carry out necessary judicial proceedings for any severe criminal offences committed, some degree of leniency may be necessary toward the “Pyonghattan” elite. Such pardoning must consider that the “Pyonghattan” elite are also victims of a system that has essentially forced them to take bribes and capitalize on the unequal structure of society. They did not have an alternative but to perpetuate this system since going against it would lead to their own, as well as their families’, death.³⁵

The opinions of the “Pyonghattan” elite regarding reunification would be significantly influenced by the circumstances surrounding the process. If reunification were to occur through a conflict scenario, such as a failed North Korean invasion or the collapse of the North Korean government, where South Korea (and potentially the US) would need to intervene militarily to seize territory or replace leadership, it is anticipated that the “Pyonghattan” elite would exhibit greater hostility and resistance. This is particularly true if the process involves prolonged territorial securing efforts, potentially involving other countries. On the other hand, in the case of peaceful negotiations leading to reunification, where North and South Korean leaders reach a mutually-agreed arrangement, it is more probable that the “Pyonghattan” elite would be more receptive and accommodating towards the reunification process.³⁶

Yet, regardless of whether reunification can come about as the result of conflict or a peaceful agreement, it will still be essential for the “Pyonghattan” elite to believe that reunification will not be harmful to them, and the process is likely to be faster and smoother if this group saw reunification as something beneficial for them. For South Korea, a failure to push for a peaceful negotiation and to prioritize the concerns and desires of this elite group will likely make the process of reunification

more complicated, longer, expensive, or even impossible.³⁷ South Korea, therefore, must reevaluate preparation for reunification and conceptualize it as not the end of a conflict, but the beginning of new sources of tension. To deal with such tensions, appropriate strategies must be put in place to address the concerns of the “Pyonghattan” elite, which include their economic status, social status, and safety.

Limitations and Conclusion

Before coming to a conclusion, it is worth pointing out some of the limitations of the findings of this paper. As mentioned in the methodology section of this paper, attaining relevant information related to the elite in North Korea was a challenge due to a lack of primary sources. Also, due to dependence on the testimonies of North Korean defectors, there is potential for validity and reliability issues. Direct access to and communication with the “Pyonghattan” elite who reside in North Korea is close to impossible to obtain considering the resources at hand. This means that while this research paper attempted to make sense of the world of “Pyonghattan” lived in by the elites, it still remains as a place that is very much unknown and subject to speculation. Language barriers also hindered the research process of this paper—as a non-native Korean speaker, the author was unable to conduct thorough research in the Korean language and was restricted to using primarily English sources. A recommendation for future studies would be to conduct in-depth interviews with North Korean elites in China, including those who are studying there or crossing the border to conduct trade between North Korea and China, and gather opinions surrounding Korean reunification.

In conclusion, this paper has provided insight into the under-explored world of the North Korean “Pyonghattan” elite and demonstrated why acknowledging the importance of this community in the process of a South Korean-led reunification would be essential for the South Korean government. Moreover, this paper has identified three main areas of concern that the North Korean elite are likely to have, such as their economic status, social status, and safety. If the process toward reunification is to continue, the South Korean government must work to develop the appropriate policy measures and communicate such measures directly, transparently, and harmoniously. Yet, regardless of the circumstances under which the process may take place, it will be crucial for the concerns of the North Korean elite to be addressed. This

paper points out that if this elite group's perspectives are not properly understood nor considered during policymaking, it is unlikely that reunification can ever occur.

Notes

- 1 Jonathan D. Pollack and Chung Min Lee, *Preparing for Korean Unification: Scenarios and Implications* (Santa Monica, CA: RAND Corporation, 1999), https://www.rand.org/pubs/monograph_reports/MR1040.html.
- 2 B.R. Myers, "North Korea's Systemic Constraints on Economic Development," *Asian Economic Policy Review* 10, no. 1 (2015): 80-98.
- 3 H. Kim, *The Future of North Korea: The Political Economy of Reform and Transformation*, Routledge, 2020.
- 4 Ji-Yeon Yuh, "Teaching about North Korea: Between Myth and Reality," *Critical Asian Studies* 43, no. 4 (2011): 647-657.
- 5 Jung, Jai Kwan and Chad Rector, "South Korea's Reunification Dilemmas" *Asian Politics & Policy* 4, no. 4 (2012): 487-505. doi:10.1111/J.1943-0787.2012.01373.X.
- 6 S.H. Kim, "North Korean Elites and the Question of Reunification", *Journal of Asian Security and International Affairs*, 5(2), (2018): 211-232.
- 7 Database Center for North Korean Human Rights, *Status and Human Rights of North Korean Defectors* (2016). Retrieved from https://www.nkdb.org/bbs1/data/publication/13/nkdb_mokjigwanrak_12.pdf
- 8 Soo-Jin Lee, "Socioeconomic Backgrounds of North Korean Defectors: A Study of Lower and Middle Class Defectors," *Journal of Korean Studies* 45, no. 3 (2018): 78-95.
- 9 J. H. Choi & Y.J. Park, "The South Korean Government's Strategic Approach to Unification and Its Implications for the Korean Peninsula," *Journal of International and Area Studies* 26(2), (2019): 81-102.
10. Stephen Costello, "The North Korean Elite's Views on Korean Reunification: An Exploratory Analysis", *North Korean Review* 16, no. 1 (2020): 3-24.
11. John S. Park, "Pyonghattan: The Unauthorized Capital of North Korea", *North Korean Review* 12, no. 2 (2016): 29-40.
- 12 Adam Cathcart and Christopher Green, "A 'Nodern' Face? North Korean Representations of Wealth and the Rise of the New Middle Class," *The Asia-Pacific Journal* 10, no. 48 (2012): 2-3.
- 13 Suk-Young Kim, "Pyongyang and Me: The Literature of North Korea's Capital City", *Azalea: Journal of Korean Literature & Culture* 7 (2014): 184.
- 14 Curtis Melvin, "North Korea Uncovered: The Crowd-Sourced Mapping of the World's Most Secret State", 38 North, U.S.-Korea Institute at SAIS, 30 May 2009, <https://www.38north.org/2009/05/north-korea-uncovered/>.
- 15 Kathleen Cavanaugh, "The 'Pyonghattan' Project: The Rise of North Korea's New Capitalist Elite." *Sino-NK*, (August 2017), <http://sinonk.com/2017/08/22/the-pyonghattan-project-the-rise-of-north-koreas-new-capitalist-elite/>.
- 16 Soyeon Kim, "A Taste of Elitism: Food Consumption and Social Hierarchies in Pyongyang, North Korea," *Journal of Consumer Culture* 20, no. 3 (2020): 391-413.
- 17 Broadcasting Board of Governors (BBG), "Media Use in North Korea: Findings from a Survey of North Korean Refugees", *North Korean Defectors in a New and*

Competitive Society: Issues and Challenges in Resettlement, edited by Sandra Fahy, (University of Toronto Press, 2016), 121-142.

18 Seohyun Lee, Interview by Jane Smith. Personal interview. May 10, 2023.

19 Kenneth Roth, "World Report 2020: North Korea," Human Rights Watch. Accessed September 25, 2021, <https://www.hrw.org/world-report/2020/country-chapters/north-korea>.

20 "The Average Salary of North Koreans is \$4-6 a Month." The Chosun Ilbo, Accessed September 25, 2021, http://english.chosun.com/site/data/html_dir/2012/01/27/2012012701094.html.

21 Hyung-Jin Kim "In N.Korea, Prices Soar and Supplies Dwindle amid Virus Fears," AP NEWS, Accessed March 3, 2021, <https://apnews.com/article/south-korea-seoul-coronavirus-pandemic-north-korea-bribery-027c2530ef784cdd5cc74d4c-0325c8f3>.

22 Eun Mee Kim, "Rise of Private Enterprise in North Korea: The Role of Foreign Investment and Entrepreneurship", *Asian Survey* 43, no. 5 (2003): 800-818.

23 Stephan Haggard and Marcus Noland, *Famine in North Korea: Markets, Aid, and Reform*, (New York: Columbia University Press, 2009).

24 Stephan Haggard and Marcus Noland, *Witness to Transformation: Refugee Insights into North Korea*, (Washington, DC: Peterson Institute for International Economics, 2011).

25 Dianne K. Nanto, *North Korea: Economic Leverage and Policy Analysis* (Nova Science Publishers, 2014).

26 Seung-Ho Kim, *North Korea: The Politics of Regime Survival* (Routledge, 2017).

27 Scott Snyder, *South Korea at the Crossroads: Autonomy and Alliance in an Era of Rival Powers* (Columbia University Press, 2017).

28 Jae-Jeok Lee, "Korean Reunification: Prospects and Challenges," *The Korean Diaspora in the World Economy*, edited by Shang-Min Kim (Palgrave Macmillan, 2021), 263-278.

29 Gooi Hui Lee, "Revisiting South Korean Public Opinion on Korean Reunification: From Idealism to Realism?," *Asian Survey* 60, no. 1 (2020): 61-86.

30 Andrew Bennett, "Korea's Changing Roles in the Modern World: The Transformation of South Korea into an Advanced Economy," *The Korean Diaspora in the World Economy*, edited by David French and Mark Richards, (Palgrave Macmillan, 2018), 83-89.

31 Jinhee Park, "The Elites of North Korea: The Economic, Social, and Political Impact on the Society," *International Journal of Korean Studies* 24, no. 2 (2020): 175-196.

32 H.K. Lee & J. Kim, "The Politics of Korean Reunification and the Future of the Korean Peninsula", *Asia & the Pacific Policy Studies*, 8(1), 17-29. doi:10.1002/app5.311

33 Shepherd Iverson, "The Korean Peace Fund," *North Korean Review* 8, no. 2 (Fall 2012): 62-75, <https://www.jstor.org/stable/43910313>.

34 K. Jung, "Korean Reunification: Challenges and Opportunities", *Asian Journal of Peacebuilding*, 7(1), 43-64.

35 J. H. Kim, "Reconciliation, Justice, and Unity in Korean Reunification: Balancing Transitional Justice and Political Stability", *Journal of East Asia and International Law*, 10(1), 41-64.

36 Sung-Chull Jung, *North Korea's Foreign Policy under Kim Jong Il: New Perspectives* (Ashgate Publishing, Ltd., 2015).

37 Tae-Hwan Yoo and Sung-Ho Kim, "Reunification as a Panacea for Peace and Prosperity in the Korean Peninsula," *Journal of East Asian Studies* 17, no. 1 (2017).

Repatriation Politics: US-North Korea Relations and the Repatriation of American Soldiers' Remains

Sophie Koritz

(Yonsei University)

This paper focuses on the political dynamic between the United States and the Democratic People's Republic of Korea (North Korea) through the lens of the repatriation of US soldiers' bodies after the Korean War. The intense, hostile relationship between the two ideological foes is reflected by the degree of success of US repatriation efforts throughout the decades after the Korean War. By utilizing primary and secondary sources, this paper discusses past repatriation efforts of American soldiers' bodies to reflect the relationship dynamic between the United States and North Korea by extensively analyzing three specific repatriation effort timeframes and the contexts surrounding the efforts. The three time periods to be discussed are (1) the period directly after the Korean War Armistice was signed, (2) the late 1990s, when diplomatic relations were attempted, and (3) in 2018, when former US President Donald Trump met with North Korean Supreme Leader Kim Jong-un. By using these three time periods as insights to the North Korean-United States relationship dynamic, this paper argues that the most opportune time for the United States to begin repatriation efforts is when North Korea is experiencing overwhelming financial difficulties or increased international pressure. The goal of this paper is to provide insight into the North Korean and American antagonistic relationship by detailing the background on the topic and contributing a unique analysis of the past, present, and future repatriation efforts between the two adversaries.

Introduction

There are thousands of Americans in what is arguably the most internationally isolated, anti-American nation in the world—North Korea. These Americans are the approximately 5,300 soldiers who perished during the Korean War and continue to remain above the 38th parallel.¹ Tense diplomatic relations have made the return of these soldiers' bodies to the United States difficult. Efforts to recover, return, and put to rest these Americans have been attempted every decade since the end of the Korean War in 1953. This paper will examine how past repatriation efforts of American soldiers' bodies reflect the relationship dynamics between the United States and North Korea by extensively analyzing three specific repatriation effort timeframes and the contexts surrounding the efforts. These are (1) the period directly after the Korean War Armistice was signed, (2) the late 1990s, when diplomatic relations were attempted, and (3) in 2018, when former US President Donald Trump met with North Korean Supreme Leader Kim Jong-un. Focusing on the context of relationship dynamics surrounding these repatriation efforts will give insight into the likelihood of success for future US repatriation efforts with North Korea while highlighting the intersection of the United States' nationalism, international position, and memories of war.

The extensive amount of funds, time, and logistical support for repatriation is no small effort, especially seeing that most countries other than the United States do not dedicate similar resources to return perished soldiers' bodies. Efforts of utilizing all available military, diplomatic, and civil resources to ensure that soldiers' bodies can be returned to US soil first began after public outcry in response to the large American death toll of World War I.² From then on, the United States has either (1) established "meticulously maintained" American cemeteries on foreign soil or (2) repatriated soldiers' bodies so that they can be buried in the United States.³ These efforts reflect the unique mentality of the United States that no American should be "left behind." This has been institutionalized by the Defense POW/MIA Accounting Agency, a Department of Defense sub-agency that aims to "keep the promise to bring home the men and women who become isolated in harm's way."⁴ Because most foreign soil cemeteries and memorials were created in the early-to-mid twentieth century after the World Wars and symbolize some sort of allyship with the host country, this paper will solely focus on repatriation efforts, for they are more relevant when discussing the

Korean War and the tense diplomatic relations between North Korea and the United States. After providing a brief background of repatriation efforts thus far, this paper argues that based on past interactions with North Korea, the most opportune time for the United States to begin repatriation efforts is when North Korea is experiencing overwhelming financial hardships or increasing international pressure. This is because North Korea recognizes the United States' ardent desire to repatriate its soldiers' bodies and sees these repatriation efforts as a bargaining chip to achieve their respective goals.

There is currently little to no academic literature discussing this specific intersection in international relations—most either focus mostly on general US policy toward North Korea or US repatriation during other wars. In view of this, this paper hopes to provide insight into the US-North Korea adversarial relationship detailing the background on the topic and offering a unique analysis of past, present, and future repatriation efforts between the two adversaries.

Methodology

This paper utilized primary and secondary resources to establish a comprehensive background of the contexts and circumstances of relations between the United States and North Korea since the Korean War. Research institutions and portals have provided a clear amount of appropriate and accessible sources for this research paper that have allowed the author to map and contextualize repatriation efforts thus far. More specifically, sources from the United States government, academic institutions, and news organizations are used to examine how repatriation efforts during these selected time periods have been perceived by previous government officials, scholars, and commentators.

The core discussion and analysis of this paper used news coverage and government sources of these repatriation efforts to compare across time periods and to contextualize the repatriation efforts. Since US support for repatriation efforts is based on public expectations and perceptions of the US government duty, obtaining contextualization sources from the news coverage of the selected periods proved crucial in truly understanding what is expected from the US government. Additionally, the government sources directly provided information on what the US government perceives as their responsibility and how it tries to deliver on said responsibility. Various sources from

the government, media, non-profit organizations, and the academe were used for background information. The author of this paper acknowledges that the sources used are limited and mostly Western-centric. From the initial literature review, it became apparent that information on this topic would be not easily accessible or available which makes it difficult not to lean toward the Western point of view. Nonetheless, the author believes that these sources are relevant when forming a foundation for understanding a topic that attempts to encapsulate approximately seven decades of history between the United States and North Korea.

Background of Repatriation Efforts

The United Nations' military intervention led by the United States in support of South Korea in 1950 resulted in North Korea cutting off most diplomatic ties with the Western world, especially the United States. Even 70 years after the end of the Korean War, US presence is still largely felt on the Korean Peninsula given that Washington remains the strongest military, economic, and political ally of Seoul. However, despite the lack of normalized diplomatic relations between North Korea and the United States, some successful repatriation efforts have occurred—returning hundreds of American soldiers' remains to the US while also forming a (strained) relationship between Washington and Pyongyang.

Additionally, for the sake of this paper, it is important to recognize that there is a unique social contract between the United States' government and its citizens regarding the repatriation of soldiers' remains. US citizens, especially those associated with the military, expect that those who perish abroad while serving in the military will be brought back to American soil. This is largely due to the "leave no man behind" mentality that has engrained itself into American military and social culture, thus perpetuating the idea that American soldiers, even if deceased, should not be "left behind" in a foreign country.⁵ Through literature, cinema, and other forms of popular media, the mantra "leave no man behind" has grown so prominent in American culture that the idea to repatriate soldiers is rarely put into question, regardless of the military operation's popularity or public approval. This mentality, combined with a century of precedents, has made many Americans consider the repatriation of American soldiers' remains as a national duty that must be performed to commemorate the soldiers' and their families' efforts and sacrifice. This social contract between the government

and its citizens is perhaps most evident by the great diplomatic and economic commitments and sacrifices the United States makes to ensure the safe repatriation of their soldiers' remains despite receiving little tangible political or economic gains domestically or internationally.

1953-1954: The 38th Parallel, the Armistice Agreement, and "Operation Glory"

In 1953, the Korean Armistice Agreement officially suspended all hostilities between North and South Korea—establishing the 38th Parallel as the divider between the two Koreas. The end of the three-year conflict left millions of civilians and soldiers dead, including over 30,000 American troops and an estimated hundreds of thousands of North Korean soldiers.⁶ While most of the perished soldiers were accounted for and/or recovered during the war on their respective sides of the 38th Parallel, UN officials and communist forces (i.e., USSR and China) agreed to repatriate any remains they currently had or would find in the future. Some of the perished soldiers were found in mass graves while others were buried in unidentified, makeshift graves often in the form of foxholes or shell holes.⁷ Therefore, extensive logistical effort and manpower were required to recover the missing bodies of the fallen soldiers on the Korean Peninsula. The period of 1953-1954, often referred to as "Operation Glory", saw the largest exchange of perished soldiers' remains across the 38th Parallel.

The Americans spearheaded "Operation Glory" in the direct aftermath of the Korean War when both South and North Korea were physically, financially, and socially devastated. In North Korea, thousands of structures were decimated and both the industrial and agricultural outputs were reduced by well over half.⁸ South Korea had also fallen equally in status and socioeconomic conditions. Therefore, the support of the Soviet Union and China in North Korea and the support of the United States and the United Nations in South Korea became especially crucial directly after the hostilities ended and remained present long after the fighting ended. In particular, during and especially after the war, the United Nations and the United States' Quartermaster Graves Registration Committee—a US military unit solely dedicated to mortuary affairs—took special interest in not only accounting for the dead, but in returning them to their home country.⁹ After three meetings with North Korea to discuss the logistics of this mass repatriation effort, 4,167 South Korean and UN

soldiers' remains were returned to South Korea or to their respective countries, while 13,528 communist forces were returned to North Korea. "Operation Glory" efforts ended with a final repatriation of 66 soldiers on November 9, 1954 when North Korea claimed they had no more remains to return to the United Nations forces. Both sides promised that they will repatriate any bodies within a month of discovering them.¹⁰

1996-2005: Attempts at Normalizing Relations

The 1990s was a turbulent time on the Korean Peninsula. The end of the Cold War and the fall of the USSR in 1991 led to North Korea receiving less financial and social international support. Furthermore, a famine, referred to as the "Arduous March", exacerbated the daily struggles of North Korean citizens. An estimated three million North Koreans died within the span of four years (1994-1998) which led to one of the largest social turmoils recorded in a totalitarian dictatorship. In an unprecedented move, North Korea officially asked the international community for food aid in 1995.¹¹

From 1990 to 1994, North Korea unilaterally returned 208 caskets to the United States. Due to the nature of the remains, many of which were "commingled" and indistinguishable, there could be up to 400 remains repatriated during this time.¹² However, it was not until 1996 that repatriation efforts became bilateral. Starting in the midst of the "Arduous March", the United States and North Korea conducted 36 joint field activities that resulted in the repatriation of 20 identified American remains and 204 other remains. Joint field activities involved both North Korea and United States personnel to search for, recover, and repatriate remains. No other United Nations country was involved in these repatriation efforts. While technically the Secretary of Defense was not authorized to pay for remains or information regarding soldiers' remains, the US Defense Prisoner of War/Missing Personnel Office "reimbursed" North Korea approximately \$15 million for these repatriation efforts during this period.¹³ However, in 2005, these efforts were halted after a Pentagon spokesman said the "environment [was] uncondusive to the continued presence of American personnel in North Korea"—mostly referring to the immensely strict management of communications and movement of the American personnel.¹⁴ Rising tension over North Korea's growing nuclear weapons and ballistic missile programs was another reason for the suspension of these operations. The repatriation

efforts of this period are the only operations that are considered joint field activities.

2018: The Trump Administration and Kim Jong-Un

In 2018, former US President Donald Trump, known for deviating from the political precedent set by his predecessors, fulfilled a 2016 presidential campaign promise to meet with North Korean Supreme Leader Kim Jong-un, who has led North Korea since 2011. Since the death of Kim Jong-il, North Korea was gradually recovering from the devastation of the “Arduous March”. However, with the passage of power to Kim Jong-un came the rise of North Korea’s nuclear and missile ballistic programs—much to the dismay of North Korea’s neighbors and the United States. Videos of parades displaying the country’s nuclear weapons and unannounced test-missile launches became status quo during Kim Jong-un’s administration. The United Nations Security Council, which includes some of North Korea’s closest allies, implemented counter-proliferation sanctions in an attempt to restrict the growth of North Korea’s unsupervised nuclear programs. Other nations including the United States imposed additional sanctions as a result of the nuclear activities in North Korea. Additionally, the United States implemented human rights-related sanctions as well as sanctions in response to the North Korean cyberattacks.¹⁵ These measures, which were mostly economic sanctions, resulted in an even more isolated North Korean economy—one that is roughly 53 times smaller than that of South Korea.¹⁶ Therefore, when Trump mentioned his willingness to not only meet with Kim Jong-un but somewhat “solve” the North Korean “issue”, the main concern for the North Korean administration was lifting these economic sanctions.

While Trump walking over the demilitarized zone into North Korea may have received the most news coverage of the iconic 2018 meetings, the repatriation of American soldiers’ bodies remained a primary talking point for the American delegation. The 2018 Singapore and Hanoi summits between the two leaders resulted in very few tangible advancements for US and North Korean relations, yet one of the only agreements between the two was the repatriation of over 200 remains that were believed to be fallen US soldiers.¹⁷ This repatriation effort was unilaterally done by the North Korean government. Moreover, during this period, North Korean officials had promised Former Secretary of State Mike Pompeo to resume negotiations regarding the joint field

activities which had been suspended for 15 years.¹⁸ However, after the United States refused to lift economic sanctions on North Korea during the Hanoi summit, North Korea cut off contact with the United States as well as any hope of future bilateral repatriation efforts.¹⁹

Discussion and Analysis

During each period, North Korea was in need of something that the United States or international community could give to them. In other words, North Korea had used the soldiers' remains as bargaining chips when they were at their most "desperate". The strong desire to repatriate soldiers' remains is a US nationalistic tradition that is unmatched by any other on the international stage. It has become a social contract between the US government and its citizens, which has been legitimized by its repeated practice from World War I all the way to the War on Terror. Despite the military, diplomatic, and civil resources needed to ensure that soldiers' remains can be safely returned to US soil, both the United States government and military families expect that, if at all possible, US remains should be repatriated. This was reflected through the US news coverage which never questioned nor explained the reasons why the United States puts so much effort into the repatriation of soldiers' bodies. North Korean leaders and officials seemed to have recognized this and used this social contract and public expectation to their advantage to achieve certain means on the international stage, whether explicitly stated or not. Whether these remains are used in exchange for North Korean remains or, more recently, as good faith measures during talks about aid or sanction-lifting, these soldiers' remains continue to influence some of the most hostile discussions in the international sphere.

The contextualization of three of the most successful repatriation periods between North Korea and the United States is crucial for understanding when success of recovering and returning US soldiers' remains is most likely to occur in the future. In the direct aftermath of the Korean War, North Korea was attempting to establish its government and the nation as a worthy economic world-contender after it had been devastated by the war. Additionally, "Operation Glory" saw an exchange of remains from both sides of the 38th Parallel. During the 1990s, North Korea was experiencing a famine that was so dire that it asked for international aid. The United States joint field activities for repatriating the US remains provided much-needed financial inflow to the resolute

country during this time. Finally, in 2018, North Korea was bombarded with sanctions because of its nuclear and ballistic missile program. Kim Jong-un joined the Singapore and Hanoi summits, attempting to induce the lifting of US economic sanctions that had hurt North Korea's already struggling economy. The promise to repatriate remains by the North Korean government seemed to be one of good faith in hopes that it would soften the US position on North Korean economic sanctions. Repatriation efforts were promised at the initial summit between Kim Jong-un and Trump and at the following summit during which Kim Jong-un focused on talks of lifting these economic sanctions.²⁰ When the US refused to lift the sanctions, talks about future repatriation efforts stopped.

In line with these observations, this paper argues that the optimal time for the United States to propose another mass repatriation is when North Korea is "desperate" for international support—whether that be in the form of aid or political leniency. For the United States' government, repatriation of its soldiers' bodies is a national duty. This is clear from the great diplomatic and economic commitments and sacrifices the US makes to ensure the safe repatriation of its soldiers' bodies despite receiving little tangible political or economic gains. Therefore, the question of repatriation of American soldiers' bodies from North Korea is not a question of "if" but of "when". North Korea is aware of this sense of duty and, as a result, agrees to repatriate American soldiers' remains when it seeks to gain something from the United States, such as economic or political concessions. Although North Korea often antagonizes the United States, Pyongyang is also willing to cooperate with Washington when it is in its own interests to do so. Arguably, North Korea, which has little leverage in negotiations, exploits the United States' sense of obligation to its own advantage.

In short, while the United States may see these soldiers' remains as part of a nationalistic ideology that highlights the protection and commitment the state has to its citizens, North Korea sees them to an end. The United States must recognize that their feelings of duty and sentimentality do not extend beyond their borders and act accordingly at the right opportunity if they want to ensure the repatriation of the remaining American soldiers' remains in North Korea. Furthermore, while these repatriation efforts may initially be viewed as just a bargaining chip, this cooperation and increased interaction may also have the potential to promote overall diplomatic growth between the two

countries. While efforts to repatriate American soldiers' bodies may be considered a superficial activity for the two ideological foes to engage in, the cooperative nature of the work will increase communication between North Korea and the United States. For both North Korea and the United States, working together to repatriate soldiers' remains does not have extreme political consequences. Thus, repatriation may serve as a great opportunity to participate in low-stakes cooperation activities where neither nation feels as if they have politically "lost" to the other.

Conclusion

The US presence is still and will continue to be largely felt on the Korean Peninsula, seeing that the United States is South Korea's strongest military, economic, and political ally. Successful repatriation efforts that returned hundreds of American soldiers' remains to the US have occurred, which form a basis for future repatriation efforts between Washington and Pyongyang. However, the repatriation efforts were made mostly on North Korea's terms and as a result of North Korea's financial needs. North Korean leaders and officials recognize how important the repatriation of the US soldiers' remains is to the United States and have used it to their advantage. These repatriation efforts should not be ignored nor deemed irrelevant, for they represent the intersection of international position, nationalism, and memories of war in the United States and North Korea. While repatriation efforts have not created long-term positive relations between the two countries, they do create an opportunity for conducting future bilateral cooperation. This is not to say that North Korea and the United States will become allies through these efforts, since they are ideological foes after all, but simply suggests that these operations can lessen the hostility between the two in the international relations sphere as they encourage bilateral communication. Lastly, this paper does not explore in depth how the repatriation of remains has intersected with the nuclear and ballistic missile programs in the past. Therefore, the paper calls for further research on this topic, as well as on the intersection of repatriation with US nationalism.

Notes

- 1 Defense POW/MIA Accounting Agency, Korean War Service Member Profiles, April 22, 2022, <https://dpaa-mil.sites.crmforce.mil/dpaaFamWebKorean>.
- 2 Kyle Hatzinger, *Establishing the American Way of Death* (University of North Texas, 2015), 80–85.
- 3 American Battle Monuments Commission, *Cemeteries & Memorials*, April 21, 2022, <https://www.abmc.gov/cemeteries-memorials>.
- 4 Defense POW/MIA Accounting Agency, *What is Personal Recovery*, April 21, 2022, <https://www.dpaa.mil/Our-Missing/Personnel-Recovery/>.
- 5 Leonard Wong, "Leave No Man Behind: Recovering America's Fallen Warriors," *Armed Forces & Society* (2005), <https://www.jstor.org/stable/48608662>, 600–622.
- 6 US Department of Veterans Affairs, *America's Wars*, May 2021, https://www.va.gov/opa/publications/factsheets/fs_americas_wars.pdf.
- 7 LTC John C. Cook, "Graves Registration in the Korean Conflict," *The Quartermaster Review* (Army Quartermaster Museum, 2000), https://qmmuseum.lee.army.mil/korea/gr_korea.htm.
- 8 Jong Won Lee, "The Impact of the Korean War on the Korean Economy," *The International Journal of Korean Studies* 97, (2001): 103.
- 9 Cook, "Graves Registration in the Korean Conflict."
- 10 *Ibid.*
- 11 Jiyoung Kim, "The Politics of Foreign Aid in North Korea," *The Korean Journal of International Studies*, (The Korean Association of International Studies, 2014).
- 12 Defense POW/MIA Accounting Agency, *Progress on Korean War Personnel Accounting*, June 13, 2022, <https://www.dpaa.mil/Resources/Fact-Sheets/Article-View/Article/569610/progress-on-korean-war-personnel-accounting/>.
- 13 Henning, "POWs and MIAs: Status and Accounting Issues," *CRS Report for Congress* (The Library of Congress, 2006).
- 14 "US Stops N Korea Work on MIAs," *BBC*, May 25, 2005, <http://news.bbc.co.uk/2/hi/asia-pacific/4581303.stm>.
- 15 Human Rights Watch, "North Korea, Sanctions, and Human Rights," May 30, 2018, <https://www.hrw.org/news/2018/05/30/qa-north-korea-sanctions-and-human-rights>.
- 16 Deokhyeon Kim, "N. Korea's per Capita Income Slightly down in 2018" *Yonhap News* (Seoul), December 13, 2019, <https://en.yna.co.kr/view/AEN20191213002300320>.
- 17 Defense POW/MIA Accounting Agency, *Progress on Korean War Personnel Accounting*.
- 18 Hae-a Lee, "U.S. Seeks N. Korea's Security Assurance in Joint Recovery of War Dead Remains," *Yonhap News* (Seoul), August 15, 2018, <https://en.yna.co.kr/view/AEN20180815000300315>.

19 "North Korea Questions Need to Keep 'Holding Hands' with the US,"
BBC (Asia), June 12, 2022, <https://www.bbc.com/news/world-asia-53018171>.

20 Hae-a Lee, "U.S. Seeks N. Korea's Security Assurance in Joint Recovery of War Dead Remains."

Balancing Inflation and Climate Action: Achieving a Sustainable Future

Liam Vincent Quinn

(Yonsei University)

This paper explores the relationship between climate change, the economic challenges of combating inflation, and the implementation of effective climate actions. Climate change is a pressing threat that requires urgent action, and the economic implications of addressing it are paramount. By analyzing the global economic landscape, this paper aims to identify strategies for striking a balance between fighting inflation and taking appropriate climate actions. The analysis focuses on the recent surge in energy prices resulting from supply disruptions linked to the Russia-Ukraine war, highlighting the need to reduce greenhouse gas emissions and transition away from fossil fuels. The findings demonstrate that addressing climate change can help alleviate the difficulties of balancing inflation and climate action, emphasizing the importance of sustainable and climate-friendly policies.

Introduction

The ongoing Russia-Ukraine war has caused supply chain disruptions and, consequently, a surge in energy prices especially in Europe. As this escalation in energy costs poses a greater burden on the poor compared to the wealthy, governments worldwide are contemplating a range of measures to address this issue and alleviate its impact on vulnerable populations. These measures include fossil fuel subsidies, transitioning from cleaner energy sources to fossil fuels, and reducing carbon taxes. However, it is important to recognize that implementing such measures could potentially hinder global efforts to combat climate change. Consequently, striking a delicate balance between mitigating inflation and addressing the urgent threat

of climate change becomes increasingly challenging in this context.

This paper analyzes the complex interplay between economics and climate change and explores the challenge of striking the right balance between combating inflation and implementing necessary climate actions. It begins by providing an overview of the impact of climate change on society, including the global response to it, and the recent surge in energy prices due to supply disruptions caused by the Russia-Ukraine war. The paper then examines the current global inflation and global monetary tightening, and how it could affect climate actions. Finally, the paper presents implications and recommendations for achieving a balance between fighting inflation and taking appropriate climate action.

One of the most important international agreements in relation to climate change is the Paris Agreement, which was adopted in 2015 under the United Nations Framework Convention on Climate Change (UNFCCC). The agreement aims to limit the increase in global average temperature to well below two degrees Celsius above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 degrees Celsius.¹ It also aims to strengthen the ability of countries to deal with the impacts of climate change through adaptation and resilience measures. Moreover, the Paris Agreement sets out a framework for countries to make voluntary pledges to reduce their greenhouse gas emissions and to report on their progress in meeting those pledges. The UN estimates that global emissions would need to drop by 7.6 percent each year between 2020 and 2030 to reach the targets set.² However, in 2020, when global economic activity came to a virtual standstill, emissions fell by only 5.8 percent.³ This suggests that additional efforts and more substantial measures are required to effectively address climate change and achieve the emission reduction goals outlined in the Paris Agreement. It is also critical to acknowledge the economic threat of climate change. As noted in the Swiss Re Institute's 2021 annual report, climate change has the potential to wipe 18 percent of GDP off the global economy by 2050, if global temperature continues rising and reaches 3.2°C.⁴

Sources of uncertainty among the international community regarding the fight against climate change include questions such as: How can countries weigh up the economic cost of climate change measures (e.g., by transitioning from fossil fuels to cleaner energy) and the implications for international competitiveness?; how can

the burden of climate actions be shared within and among countries, or how can international policy cooperation along the principle of common but differentiated responsibilities be ensured?; how can the resulting first-mover disadvantage problem—countries wait-and-see, rather than act, given the positive externalities associated with climate actions (e.g., with decarbonization)—be overcome?; and how can the public be convinced about the benefit of climate actions which would accrue over a long period, given that climate change is such a slow-moving process? While each of these questions requires careful consideration and cannot be fully addressed in this paper, it's important to acknowledge how the threat of climate change has created a wide range of issues and areas of uncertainties which the international community continues to discuss and debate on. Lastly, it is crucial to acknowledge that climate change's causes, effects, and responses exist in larger social, political, and economic contexts. Oftentimes these issues can work to distract from, as well as hinder, climate action.⁵

Economic Policies to Address Climate Change

The combination of cost-effective price-based policies and quantity-based policies, along with financial regulations on climate-related risk-taking, represents a comprehensive approach adopted by countries worldwide to address the threat of climate change. Cost-effective price-based policies, such as carbon pricing, emission trading systems (ETS), and carbon taxes, aim to internalize the environmental costs of greenhouse gas emissions. These policies create a financial incentive for industries to reduce their emissions by assigning a price to every ton of CO₂ emitted. Carbon pricing mechanisms can be implemented through a cap-and-trade system, where a fixed number of emission permits are issued and traded among companies, or through a carbon tax, where a monetary value is placed on each unit of emitted carbon dioxide.⁶ Quantity-based policies, on the other hand, include regulations that cap CO₂ emissions. These regulations set specific limits on the amount of greenhouse gases that can be emitted by industries or sectors. By imposing emission limits, countries ensure that pollution levels are kept below a certain threshold and encourage companies to adopt cleaner technologies and practices to comply with the regulations. Financial regulations on climate-related risk-taking encompass measures that govern the activities of financial institutions in relation to climate risks.

These regulations aim to promote sustainable finance and ensure that financial institutions consider climate-related risks and opportunities in their decision-making processes. These regulations can take various forms, including setting requirements for disclosing climate-related information, stress testing for climate risks, and imposing capital requirements for climate-sensitive investments. Such financial regulations on climate-related risk-taking can be seen in the European Union (EU).

The EU has been at the forefront of implementing sustainable finance regulations through its Sustainable Finance Action Plan.⁷ One notable policy introduced by the EU is the EU Taxonomy Regulation, which establishes a classification system for sustainable economic activities. This regulation sets out criteria for determining whether an economic activity is environmentally sustainable and providing transparency to guide investors towards climate-friendly investments. Additionally, the EU has developed the Sustainable Finance Disclosure Regulation (SFDR), which requires financial market participants to disclose information on how they integrate sustainability factors into their investment decisions.⁸ The SFDR aims to provide investors with consistent and comparable information on the environmental and social impact of their investments, promoting greater transparency and accountability in the financial sector. Therefore, by combining cost-effective price-based policies, quantity-based policies, and financial regulations on climate-related risk-taking, countries can create a comprehensive framework that addresses both the economic and environmental dimensions of climate change mitigation and adaptation.⁹

Current Inflation Trends

Since 2021, energy prices have been on a steep rise. One reason for this is the surge in energy demand as countries worldwide recover from the impacts of COVID-19.¹⁰ This is particularly true in the case of European countries. The Russian invasion of Ukraine further exacerbated the rising prices and overall inflationary pressures. Firstly, supply disruptions played a crucial role. The war resulted in the destruction of critical infrastructure, including transportation networks and production facilities. This disruption severely hampered the production and distribution of goods and services, leading to supply shortages. When supply is limited, and demand remains constant or increases, prices tend to rise as consumers compete for scarce resources. Secondly,

trade disruptions and embargoes exacerbated the inflationary effects. As tensions escalated, trade between Russia, Ukraine, and other countries involved became severely restricted. The imposition of trade barriers and embargoes limited the flow of goods, making it harder for businesses to access necessary inputs and materials. This scarcity of goods, coupled with reduced competition, resulted in price increases for both domestic and imported products. Furthermore, the depreciation of currencies in war-affected regions contributed to inflation. Geopolitical uncertainties and economic instability negatively impacted the value of local currencies. A depreciating currency makes imported goods more expensive, as it takes more units of the local currency to purchase the same quantity of foreign goods. This currency depreciation, coupled with limited access to international markets, further drove up prices. These combined effects of supply disruptions, trade restrictions, and currency depreciation created inflationary pressures across various sectors, particularly in Eastern European nations directly affected by the war.¹¹

In particular, food inflation, which is observed in the EU but has more significant impact on war-affected Eastern European nations, can be attributed to the supply disruptions caused by the Russia-Ukraine war. The conflict resulted in various factors that contributed to the increase in food costs across the region. Firstly, the Russia-Ukraine war led to disruptions in agricultural production and supply chains. The conflict disrupted farming activities, including cultivation, harvesting, and transportation of crops, leading to a decrease in overall food production. This reduced supply of food created a scarcity in the market, causing prices to rise. Secondly, the war created trade disruptions and limited access to essential resources for agricultural production. The conflict resulted in the imposition of trade barriers, restrictions, and embargoes, affecting the flow of agricultural goods across borders. The disruption of trade routes and logistical networks hindered the timely and efficient distribution of food, exacerbating supply shortages and further driving up prices. Thirdly, the social and economic instability caused by the war had a negative impact on the local economies of war-affected Eastern European nations. Economic instability and uncertainty can weaken the local currency and reduce people's purchasing power. When the value of the currency depreciates, it can lead to higher import costs, including food imports, which are then passed on to consumers in the form of increased prices. The combination of these factors resulted in higher food costs in

the EU, with an average increase of 7.1 percent overall and a significant inflation rate of around 20 percent in war-affected Eastern European nations. In comparison, Western Europe experienced relatively lower food inflation at around 6 percent, indicating a lesser direct impact of the war in those regions. It is important to note that the increase in food costs was not the sole consequence of the Russia-Ukraine war. Other factors, such as global supply and demand dynamics, weather conditions, and market fluctuations, also contribute to food price volatility. However, in the context of the war, the disruptions caused by the conflict played a significant role in exacerbating food inflation in the EU.¹²

Central Banks' Response and Monetary Policy Tightening

In response to the challenges of inflation and the urgent need to address climate change, central banks have taken measures to target and control inflation through the rapid tightening of monetary policy. These measures aim to address the rising prices of goods and services and maintain economic stability. For example, through fuel subsidies various governments have attempted to artificially lower the cost of energy to lead to increased consumption and higher demand. By reducing these subsidies, various countries such as Egypt have sought to align fuel prices with market rates, which can help reduce excess demand, control inflationary pressures, and ensure more efficient resource allocation.¹³ Moreover, some governments facing inflationary pressures have encouraged a temporary substitution from cleaner energy sources to fossil fuels. This can be a response to disruptions in the supply chains of cleaner energy technologies or an attempt to mitigate higher costs associated with renewable energy sources. By promoting the use of more readily available and relatively cheaper fossil fuels, several governments have aimed to stabilize energy prices and alleviate inflationary pressures in the short term.¹⁴ Another measure governments have employed to address the inflation is the lowering of carbon taxes. Carbon taxes are levied on carbon-intensive activities to internalize the environmental costs associated with greenhouse gas emissions. However, during this period of inflation, some governments have chosen to reduce the burden on businesses and consumers by temporarily lowering carbon taxes in order to alleviate cost pressures on industries heavily reliant on fossil fuels and ease the overall inflationary impact.¹⁵

It is important to note that high and rising energy prices are

expected hit the poor disproportionately more than the rich and that, in the long-term, developing countries could be severely impacted by the trend of inflation, sluggish growth, decreasing productivity, and increased interest rates. For example, Nigeria is highly dependent on oil exports, and any increase in energy prices can significantly impact its economy. Inflationary pressures can erode purchasing power, leading to decreased productivity and sluggish economic growth. The country's reliance on imported energy resources and limited diversification in its energy mix can make it vulnerable to supply disruptions and price volatility. Additionally, as one of the world's fastest-growing economies, India's energy demand is substantial. Any surge in energy prices can have a cascading effect on various sectors, including manufacturing and transportation, leading to inflationary pressures. India's high dependency on fossil fuels and limited progress in transitioning to cleaner energy sources make it susceptible to the impacts of energy price shocks.

Implications

It is understandable that nations may take relief measures such as in tax or charges to ease the burden in the short-term. However, shifting from cleaner energy sources to fossil fuels contradicts the broader goal of transitioning to a low-carbon economy. Further, questions surrounding the effectiveness of the actions of governments and central banks have been raised by various economists.¹⁶

Analysis of past instances of broad-based and untargeted fossil fuel subsidies indicates that universal fossil fuel subsidies and untargeted price controls or tax breaks fail not only to benefit the poor but are harmful to public finances, as well as the energy sector and environment. As noted by the Organization for Economic Co-operation and Development (OECD) Secretary-General Mathias Cormann, "significant increases in fossil fuel subsidies encourage wasteful consumption...while not necessarily reaching low-income households."¹⁷ While fossil fuel subsidies aim to make energy more affordable, they can have unintended consequences. Subsidies often lead to higher fuel consumption and wasteful practices, as artificially low prices encourage excessive use. Since fossil fuels are major contributors to climate change, air pollution, and other environmental problems, increased wasteful use translates into increased greenhouse gas emissions and environmental degradation.¹⁸

Substituting cleaner energy with fossil fuels can also undermine efforts to reduce greenhouse gas emissions and achieve sustainability targets. Lowering carbon taxes may limit the funds available for investments in renewable energy, energy efficiency, and climate change mitigation measures.¹⁹ Fossil fuel subsidies can strain government budgets and hinder the development of cleaner and more sustainable energy alternatives.

It is crucial to prioritize the adoption and promotion of renewable energy sources to mitigate climate change and improve environmental outcomes.²⁰ Carbon taxes are designed to internalize the environmental costs associated with greenhouse gas emissions. Lowering or eliminating carbon taxes reduces the financial incentives for businesses and individuals to reduce their carbon footprint. This can hinder progress in transitioning to cleaner energy alternatives and achieving emission reduction targets.

Further, in low-middle-income countries, these measures could lead to several adverse effects. A paper by the Dutch economist Servaas Storm explains how monetary tightening could have negative consequences in low-middle-income countries.²¹ When central banks implement monetary tightening, such as raising interest rates or reducing liquidity, it aims to control inflation and stabilize the economy. Higher interest rates can increase borrowing costs for businesses and individuals, making it more challenging for them to invest, expand, or access credit. This can hinder economic growth and job creation, particularly for small and medium-sized enterprises that are crucial for employment and poverty reduction. Moreover, monetary tightening can attract foreign investors seeking higher returns on their investments due to increased interest rates. While this may seem beneficial, it can lead to currency appreciation, making exports more expensive and reducing competitiveness in international markets. This can negatively impact industries reliant on exports, which are often vital for the economies of low-middle-income countries. Additionally, monetary tightening measures can disrupt financial markets and increase the risk of financial instability. Higher interest rates can lead to capital outflows, creating liquidity pressures and volatility in domestic markets. This can exacerbate existing vulnerabilities in the financial system and potentially trigger economic downturns or financial crises.²²

Recommendations

Given the implications mentioned, the following recommendations could help strike the right balance between fighting inflation and pursuing climate action.

1. Incorporating Climate Change in Monetary Policy

There has been a lot of debate and discussion regarding whether monetary policy should even take climate change into account, stemming from the traditional mandate in place that the central bank's only aim should be to maintain the stability of price levels and the financial system. Hence, by engaging in the climate change agenda, central banks would not only stray from their original mandate but also violate their market neutrality principle and overburden their policy tools. Yet, the reality is that it's impossible to unlink climate change and monetary policy. For instance, climate change may increase the risk factors related to assets stored on central banks' balance sheets, which could result in financial losses. Furthermore, the ability of counterparties, issuers, and other debtors to meet their obligations may be affected by the risks associated with climate change, which can translate into higher credit risk. Moreover, due to its impact on the banking industry and financial markets, climate change may make it more difficult for monetary policy to be transmitted. For instance, the financial sector could suffer losses and financing flows to the real economy. This could be hampered by the stranding of assets and abrupt repricing of climate-related financial risks. Therefore, central banks must evaluate how climate change may affect the economy and the prospects for inflation.

By considering the environmental risks and costs associated with climate change, central banks can implement measures that promote sustainable and low-carbon economic growth while addressing inflationary pressures. The Swedish Central Bank, Sveriges Riksbank, has been at the forefront of integrating climate change considerations into its monetary policy framework aiming to address climate-related risks by considering sustainability aspects in its asset purchases and collateral framework. Sweden's approach demonstrates a proactive stance in aligning monetary policy with climate goals, highlighting the recognition of the need to address climate risks within the context of monetary decision-making.²³ Monetary policy measures can include incentivizing investments in renewable energy, promoting energy

efficiency, and integrating climate-related considerations into risk assessments and lending practices. By aligning monetary policy with climate objectives, central banks can contribute to mitigating climate change while maintaining price stability and fostering a more sustainable economy.

2. Transparent and Targeted Fuel Subsidies

It remains essential that any subsidy measure to ensure fuel, electricity, and gas remain affordable in response to a crisis needs to be transparent, restricted, and time-bound, as well as appropriately budgeted.²⁴ Examples throughout history where this became apparent include the Arab Spring (2010–2012) when in response to social unrest and rising energy prices, some governments in the Middle East and North Africa region implemented fuel subsidy programs to maintain social stability. Yet, the long-term sustainability of these subsidies was questionable, leading to fiscal imbalances and economic challenges in the aftermath. Moreover, during the global financial crisis (2008), several countries implemented subsidy measures to support their economies and mitigate the impact on vulnerable populations. However, the lack of transparency and oversight in some cases led to the misuse of funds and inefficient allocation of subsidies.

Further, it has become apparent over time that fossil fuel subsidies intended to support those with a low income should be replaced with more targeted forms of support to ensure they don't favor wealthier households. Broad-based price fossil fuel subsidies are less effective in reaching those who are most poor and vulnerable. When there are no sufficient social protection mechanisms to allow for targeted support, and a lack of regulation of electricity or gas retail prices, tariff design can allow policymakers to meet the requirements of households through judiciously chosen lifeline rates that still allow for expense recovery. Hence, transparent and targeted subsidies can work to provide financial support to specific sectors or activities that contribute to climate mitigation and adaptation efforts while minimizing the risk of inflationary pressures.

By carefully designing and implementing subsidies, governments can direct financial resources towards renewable energy projects, energy-efficient technologies, and sustainable practices. Transparent subsidies, coupled with effective monitoring and evaluation mechanisms, ensure

that funds are allocated efficiently and effectively to achieve climate goals. By targeting subsidies to sectors that have the most significant potential for emissions reduction and sustainable development, governments can encourage the transition to low-carbon economies without compromising price stability and exacerbating inflationary pressures.²⁵

3. Adapting Monetary Policy to Changing Energy Price

Adapting monetary policy to changing energy prices can play a crucial role in striking the right balance between fighting inflation and taking effective climate action. In economic terms, energy prices have significant implications for both inflation and economic stability. Fluctuations in energy prices directly impact production costs, transportation expenses, and consumer spending patterns, which can consequently influence inflationary pressures. By incorporating these dynamics into monetary policy decisions, central banks can effectively respond to mitigate the potential inflationary effects of energy price fluctuations. Moreover, adapting monetary policy to changing energy prices also addresses the long-term goal of climate action. Recognizing the urgent need to transition to sustainable and low-carbon energy sources, monetary policy can support climate action by incentivizing investments in renewable energy, promoting energy efficiency, and encouraging the adoption of environmentally friendly technologies and practices. By doing so, monetary policy can contribute to reducing greenhouse gas emissions and mitigating climate-related risks.²⁶

Some recommended models that can be looked to in order to strike the right balance between fighting inflation and climate actions include the work in the EU with the Social Climate Fund.²⁷ The fund intends to alleviate the social effects of increasing energy prices stemming from the suggested broadening of the ETS's scope towards the building and transportation sectors, both of which will have an especially negative impact on households.²⁸ Another appropriate model is a scheme which allows EU nations to buy strategic gas reserves together to use in the case of a supply shortage such as the one with the Russia-Ukraine war. In fact, capacity utilization of gas storage facilities in Europe is just below two-thirds, almost 20 percent below seasonal norms.²⁹

4. Investing in Clean Energy Technology and Infrastructure

The most important long-term recommendation to address climate

change and handle the current global energy crisis by reducing high fuel costs for consumers with a rise in investment in clean energy technology and infrastructure.³⁰ This can work to make sure that short-term policies don't undermine energy efficiency and conservation efforts and hence protect consumers from such shocks. Governments must work to advance the energy transition while simultaneously protecting the poor and vulnerable. Central banks must work to effectively understand how addressing climate change threatens price stability and how, given their price stability mandates, inflation targets can be tolerated by this rise in energy prices.

Promoting research and development (R&D) for ecological transitions is an essential part of investing in clean energy technology and infrastructure. By allocating resources towards R&D, governments and stakeholders can drive innovation and accelerate the development of sustainable solutions to address climate change. Investing in clean energy technology not only reduces greenhouse gas emissions but also fosters economic growth and job creation.³¹ Furthermore, R&D efforts can lead to breakthroughs in energy efficiency, renewable energy generation, and energy storage systems, which contribute to the overall decarbonization of the economy. By supporting R&D initiatives, governments can drive down the costs of clean energy technologies, making them more accessible and cost-effective. This, in turn, helps strike the right balance between fighting inflation and taking effective climate action, as it enables the transition to a low-carbon economy while stimulating economic development and enhancing energy security.

5. Understanding the Link Between Climate Change and Inflation

A final recommendation would be for countries to understand how climate change itself can directly cause inflation. For instance, the frequency of extreme weather events such as fires and floods can have a significant effect on the cost of some products.³² While the need for infrastructure upgrades and adaptation measures to mitigate climate change impacts can further up the inflationary pressures, its impact would be temporary. The European Central Bank has noted in recent research how inaction on climate change can result in inflation of up to half a percentage point yearly. An ecological transition which is carefully managed would reduce the inflationary effects of global warming as the impact would be temporary and the number of extreme events would

go down, decreasing the mitigation costs associated.³³ By recognizing the direct link between climate change and inflation, policymakers can develop comprehensive strategies that address both challenges simultaneously, such as investing in resilient infrastructure, promoting sustainable agriculture practices, and incentivizing the transition to clean energy sources. This integrated approach allows for a more balanced and effective response to the dual challenges of inflation and climate change.

Conclusion

This paper demonstrated that the difficulties in striking the right balance between fighting inflation and fighting the grave threat of climate change can be mitigated through climate action. The paper analyzed how climate change is being addressed (rather, is failing to be addressed) in the backdrop of a recent surge in energy prices due to supply disruptions related to the Russia-Ukraine war. This has reinforced the necessity for us to fight against greenhouse gas emissions and reduce our dependence on fossil fuels. Undoubtedly, the transition towards less carbon-intensive fuels will require time. During this transition, higher tax rates across a range of fossil fuels, rising carbon prices and elastic energy demand has the potential to cause pressure on consumer prices and, thereby, impact the success of monetary policy implementation. This paper assessed the persisting global inflation and the global monetary tightening measures in response to it. It was also noted how monetary policy cannot look through the increase in energy prices, considering they have the potential to risk medium-term price stability, for instance, in case where increased energy prices cause a de-anchoring of inflation expectations. Understandably, nations may take relief measures such as tax reductions or charges to ease the burden on those who are poor and vulnerable in the short-term. Yet, it is important to continue to strive towards large-scale long-term climate goals. It is also important to note that to effectively strike the right balance between fighting inflation and climate actions, it is necessary to accelerate research and investment in green technologies, nuclear energy, renewable sources, and sustainable biofuels, as well as research into the extent to which climate change may become more of a direct cause of inflation.

Notes

1 The Paris Agreement, United Nations Framework Convention on Climate Change (UNFCCC), 2015.

2 United Nations Environment Programme (UNEP), “Cut Global Emissions 7.6 Percent Every Year for Next Decade to Meet 1.5°C,” UNEP News and Stories, Press Release, <https://www.unep.org/news-and-stories/press-release/cut-global-emissions-76-percent-every-year-next-decade-meet-15degc>.

3 United Nations, “Cut Global Emissions by 7.6 Percent Every Year for Next Decade to Meet 1.5°C Paris Target - UN Report,” November 26, 2019, <https://unfccc.int/news/cut-global-emissions-by-76-percent-every-year-for-next-decade-to-meet-15degc-paris-target-un-report>.

4 Swiss Re, “Annual Report 2021,” 2021, https://reports.swissre.com/2021/assets/pdf/AR21_Financial_Report_EN.pdf.

5 Alexander Dietrich, “The Expectations Channel of Climate Change: Implications for Monetary Policy,” 2022, https://people.brandeis.edu/~schoenle/research/The_Expectations_Channel_of_Climate_Change.pdf.

6 “Carbon Pricing Dashboard,” World Bank, <https://carbonpricingdashboard.worldbank.org/>.

7 Sara Dewey, “What to know about the SEC’s Proposed Climate Risk Disclosure Rule,” Harvard Law School Environmental & Energy Law Program (blog), April 27, 2022, <https://eelp.law.harvard.edu/2022/04/what-to-know-about-the-sec-proposed-climate-risk-disclosure-rule/>.

8 European Commission, “Sustainability-Related Disclosures for the Financial Services Sector,” European Commission - Directorate-General for Financial Stability, Financial Services, and Capital Markets Union, https://finance.ec.europa.eu/sustainable-finance/disclosures/sustainability-related-disclosure-financial-services-sector_en.

9 European Union, “Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088,” Official Journal of the European Union, vol. 63, no. 168, July 2020.

10 Ewan Thomson, “6 ways Russia’s invasion of Ukraine has reshaped the energy world,” World Economic Forum, November 8, 2022, <https://www.weforum.org/agenda/2022/11/russia-ukraine-invasion-global-energy-crisis/>.

11 Deloitte, “Russia-Ukraine war: Inflation impact,” Deloitte Insights, March 2022, <https://www2.deloitte.com/uk/en/insights/economy/russia-ukraine-war-inflation-impact.html>.

12 Lotanna Emediegwu, “How is the war in Ukraine affecting global food prices?” Economics Observatory, February 2022, <https://www.economicsobservatory.com/how-is-the-war-in-ukraine-affecting-global-food-prices>.

13 Gulati, Sumeet, and Jeffrey D. Sachs. “The Price of Oil and the Price of Food.” Columbia University, Center on Globalization and Sustainable Development, May 2014.

14 Heinrich Böll Stiftung. “Clean Energy in China - A Mapping of Key Policies and Actors in Renewable Energy,” <https://www.boell.de/sites/default/files/2021-01/>

Clean_Energy_in_China_endf.pdf.

15 The Washington Post. "Global economy forecast to grow by 4.7 percent, says World Bank," June 6, 2023, <https://www.washingtonpost.com/business/2023/06/06/global-economy-world-bank/>.

16 International Energy Agency (IEA), "World Energy Outlook 2022," <https://www.iea.org/reports/world-energy-outlook-2022>.

17 Organisation for Economic Co-operation and Development (OECD) and International Energy Agency (IEA), "Support for Fossil Fuels Almost Doubled in 2021, Slowing Progress Toward International Climate Goals, According to New Analysis from OECD and IEA," <https://www.oecd.org/newsroom/support-for-fossil-fuels-almost-doubled-in-2021-slowing-progress-toward-international-climate-goals-according-to-new-analysis-from-oecd-and-iea.htm>.

18 OUP (Oxford University Press), *The European Journal of International Law*, Volume 33, Issue 3, August 2022, <https://academic.oup.com/ejil/article/33/3/993/6702173>.

19 Kevin A. Hassett, Aparna Mathur, and Gilbert E. Metcalf, "The Incidence of a U.S. Carbon Tax: A Lifetime and Regional Analysis," *The Energy Journal*, Vol. 30, No. 2 (2009): 155-177, <https://www.jstor.org/stable/41323238>.

20 International Monetary Fund (IMF), "Still Not Getting Energy Prices Right: A Global and Country Update of Fossil Fuel Subsidies," IMF Working Paper, <https://www.imf.org/en/Publications/WP/Issues/2021/09/23/Still-Not-Getting-Energy-Prices-Right-A-Global-and-Country-Update-of-Fossil-Fuel-Subsidies-466004>.

21 Servaas Storm, "Collateral Damage From Higher Interest Rates," Institute for New Economic Thinking, November 5, 2022, <https://www.ineteconomics.org/perspectives/blog/collateral-damage-from-higher-interest-rates>.

22 Barry Eichengreen and Ricardo Hausmann, "Exchange Rates and Financial Fragility," NBER Working Paper No. 7418, National Bureau of Economic Research, December 1999, <https://doi.org/10.3386/w7418>.

23 Sveriges Riksbank (The Riksbank), "The Riksbank's Work on Climate Change," <https://www.riksbank.se/en-gb/about-the-riksbank/the-riksbanks-work-on-sustainability/climate-report/the-riksbanks-climate-report2/the-riksbanks-work-on-climate-change/>.

24 Network for Greening the Financial System, "Annual report 2021," March 2022, https://www.ngfs.net/sites/default/files/medias/documents/ngfs_annual_report_2021.pdf.

25 International Energy Agency (IEA), "Tracking Clean Energy Progress 2023," <https://www.iea.org/reports/tracking-clean-energy-progress-2023>.

26 Maurice Obstfeld, Jeffrey Shambaugh, and Alan Taylor, "The Trilemma in History: Tradeoffs among Exchange Rates, Monetary Policies, and Capital Mobility," NBER Working Paper No. 10396.

27 European Commission, "Social Climate Fund," European Green Deal - Delivering on the European Green Deal, https://climate.ec.europa.eu/eu-action/european-green-deal/delivering-european-green-deal/social-climate-fund_en.

28 "Social Climate fund: The Potential to deliver More," WWF, December

2021, <https://www.ecb.europa.eu/pub/pdf/scpops/ecb.op281~05a7735b1c.en.pdf>.

29 European Commission, "Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A policy framework for climate and energy in the period from 2020 to 2030," <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX-52014DC0330>.

30 International Renewable Energy Agency (IRENA), "Global Renewables Outlook: Energy Transformation 2050," 2020, <https://www.irena.org/publications/2020/Apr/Global-Renewables-Outlook-2020>.

31 Political Economy Research Institute (PERI), "Economic Benefits of Tackling Climate Change: Summary for Policymakers," https://peri.umass.edu/fileadmin/pdf/other_publication_types/green_economics/economic_benefits/economic_benefits.PDF.

32 The White House, "The Rising Costs of Extreme Weather Events," <https://www.whitehouse.gov/cea/written-materials/2022/09/01/the-rising-costs-of-extreme-weather-events/>.

33 "Climate Change," In *Anthropology and Climate Change: A Historical Encyclopedia*, edited by Dr. Mark Nuttall, <https://www.anthroencyclopedia.com/entry/climate-change>.

INTERVIEW

**Interview with Young Kyung Ko:
Venture Partner at The Invention Lab**

Interview with Young Kyung Ko

Young Kyung Ko is a researcher, professor, and financial expert. She is currently a Venture Partner at The Invention Lab and Co-General Partner at SEA Next Unicorn Private Investment Fund. As a professor, Ko is affiliated with several academic institutions in South Korea, including the ASEAN Center, Korea University Asiatic Research Institute, and Jeonbuk National University Institute for Southeast Asian Studies. She obtained her Master's in Area Studies from Yonsei University and Ph.D. in Finance from Korea University. Ko has authored several books and made significant contributions to other books in the fields of business and finance. She is also a regular contributor to two major business publications, Chosun Economy and FORTUNE Korea, and has been featured in prominent YouTube channels such as 3PRO TV. Her latest book titled 7UPs in Asia, Business Cases and Growth Strategies in India and 6 ASEAN Countries documents major corporations in the ASEAN and Indian region and aims to increase awareness of the business landscape in developing countries.

YJIS: The introduction of your recently published book, “7UPs in Asia, Business Cases and Growth Strategies in India and 6 ASEAN Countries,” claims that “Many people agree that Asia will become the main axis of the world economy, but in the process, it will encounter an unexpected ambush.” Could you please elaborate on this?

YK: It is said that the nineteenth century was dominated by Europe as the world's economic leader and the twentieth century was led by the United States. The twenty-first century is now said to be “The Asian Century.” The Asian Century, called as such by McKinsey, Jim Rogers, Parag Khanna, and others, means that Asia is and will become the center of production, consumption, and investment. However, it is now facing and will encounter unexpected issues and challenges. The COVID-19 pandemic was an example of the challenges. We have never experienced this kind of catastrophe since the Black Death. Before the pandemic hit, the conflict between the US and China had been eroding

the stability of the global economy. As the Ukraine-Russia war broke out, it disrupted the entire supply chain for food, raw materials, and other industries such as semiconductors, EV, etc.

Furthermore, US's Pacific Partnership Strategy aims to counter (control or contain) China's growing influence in the region. However, China is getting closer to Russia. India's imports from Russia grew 4.4 times year-on-year in 2022, with Russia jumping from India's twenty-first to its sixth largest import destination. Further, China and Saudi Arabia agreed to expand their crude oil trade by discussing oil trade settlements in currencies other than the US dollar. Twenty years ago, no one could have imagined such a drastic change in the global economic system and geopolitics.

YJIS: South Korea's trade relations are undergoing substantial changes in recently. In the first quarter of 2023, South Korean interest in Vietnam's markets have plunged dramatically. In your opinion, is this the emergence of a new trend or a temporary response to (Vietnam's) regulatory changes? Could this be a sign of the end of the "Vietnam Rush"?

YK: More than 8000 Korean companies are doing business in Vietnam, a trend dubbed as the "Vietnam Rush." Korea had the largest trade surplus with Vietnam in 2023. However, the investment inflow dropped since then. There are three reasons, I think. First, the leading industries in FDI from Korea have changed. Many Korean companies in the manufacturing sector, such as Samsung, Hyosung, and LG, have already invested much in Vietnam, especially for the last two decades. Nowadays, Korean firms in the service and technology sectors enter Vietnam. In terms of size of investment amount, the service sector is smaller than the mega manufacturing projects.

Second, the change of external conditions affects the global strategy of firms. Large Korean firms such as Samsung Electronics, LG Energy Solution, and SK Hynix have increased their investment in the US due to the pressure and incentives from the US government—CHIPS Act, reshoring strategy, etc. If Samsung Electronics is heading to the US, its suppliers and partners should move together. When a company pours billions of dollars into one country to build a plant, it should manage the new business investment portfolio considering the financial constraints

and risks. On the other hand, to source raw materials for EV batteries, many firms invest in Indonesia. In brief, the US-China tension and an unstable supply chain drove Korean firms to gear up their investment in US and Indonesia, causing a decrease in interest on Vietnam.

Third, recently the global economy is slowing down, causing Korean firms to reduce or delay overseas investment or expansion. As the consumer market of Vietnam is growing, Vietnam is more likely to maintain its position of production base for export. Korean firms with a high sensitivity to risk (inflation, lower liquidity, higher interest rate, and lower growth rate) have started to tighten their budget and expenses to get through the global recession. We've learned how to thrive in a crisis and what to do before the crisis, in 1997 and in 2008.

In line with the changes in global economy and political paradigm, Korea and Vietnam are trying to adjust their policy and strategy, and so is the business/private sector. Korea-Vietnam relations are entering the next stage; it is not the end of the "Vietnam Rush." During President Yoon's summit visit, Korea-Vietnam relations were promoted to a comprehensive strategic partnership. President Yoon committed to an enhanced cooperation through measures such as increased official development assistance, economic security, rare material supply chain, etc.

YJIS: Besides Vietnam, which emerging markets (in the Indian and ASEAN region) do you believe hold the most potential for growth and investment in the near future, and why?

YK: Vietnam still has potential. It is said that Vietnam is the next China. However, every company needs to prepare a global perspective and strategy, which implies not focusing on only one country but having a broad coverage. Even though a company cannot drive many countries simultaneously, it should have a road map to scale up to a regional portfolio. Some Korean companies face challenges because they depend heavily on the Chinese market.

That's why Korean companies look to ASEAN and India. ASEAN has become Korea's key strategic partner—the second largest trade partner and investment region. Furthermore, I believe it is time to build a better partnership with India. Everyone recognizes that India is rising, with a high growth rate, increasing population, competency in IT, high

education fever, and vital geographical & geopolitical position. India will be the growth engine of the global economy just like China was.

YJIS: You mentioned that the rise of value alliances requires Korea to broaden its horizons while increasing geopolitical risks and uncertainties. What are the major opportunities and challenges Korea faces within the context of investments and alliances?

YK: Korea is one of the few countries to have high-end tech companies in the fields of semiconductors (most essential material for various industries and technology), EV batteries, bio/pharma as well as traditional manufacturing sectors such as steel, construction, ship building, etc. During the pandemic, Korea was less damaged thanks to its diversified business portfolio. Many countries would like to make better partnerships with Korea as China used to have substantial economic ties with Korea.

However, under the name of value alliance, the US is more likely to force Korea into a role at the center of the US strategic rivalry with China. Korean firms are losing the Chinese market and furthermore their business activities are being constrained. The trade deficit is getting larger, and the economic growth rate was forecasted to go down to 1.5 percent for 2023. Recently, the International Monetary Fund (IMF) has lowered its 2023 economic growth outlook for South Korea again to 1.4 percent. It might be said that a confrontation between US and China may benefit Korean firms by blocking Chinese companies into entering the US. However, the advantages are limited and not confirmed. China's Contemporary Amperex Technology Co. (CATL) has a partnership with Ford Motor Company in the US. Furthermore, Japan is one of key members of value alliances, and US and Japan have declared concrete cooperation ties in the semiconductor sector. But then more and more Chinese group tourists visit Japan daily. International politics and economic relations are not simple, but very complex. With that said, Korea needs to have a presence in broad markets with more partners to have a better leverage—economically and diplomatically.

YJIS: What are the key findings from the case studies in the book, or what are the key factors Korean businesses should consider when entering or expanding their presence in Indian and Southeast Asian markets?

YK: Korean firms have been exporting abroad and have established overseas branches as well as factories. However, they have short-term or less experience in global management compared to Japanese or European companies. I have met many directors of Korean companies across Southeast Asia. They studied various aspects of these host countries—language, history, political system, culture, tax law, etc. However, they did not learn much about the key business players in these countries.

Most business textbooks deal with cases of multinational or developed countries-based companies. They have never heard of Reliance in India nor the Charoen Pokphand (CP) group in Thailand. It is hard to find well organized stories and analyses of these local conglomerates because they are from developing countries (not from a big country like China). How do local big companies start their business and grow? What are their competitive strategies? The answers to these questions are critical to understand the economic development and business behavior in a host country. As a researcher, I like to provide information to people in the field.

YJIS: How do you see the future of Korea’s economic relations with emerging markets and what steps can be taken to strengthen these relationships, particularly from the government’s perspective? What advice would you give to policymakers in Korea to enhance their engagement with these emerging markets?

YK: The Korean government and companies cannot avoid strengthening economic relations with emerging markets. In the global economy, one country cannot stand alone, without natural resources. In particular, as Korea is getting older and smaller in population, we should work with partners, especially emerging countries which are developing faster.

Regarding the cooperation between South Korea and Indo-pacific countries, we should try to find mutual interests. For example, Indonesia prohibited the export of nickel ore as they wanted to improve their own industry with value-added increases and to boost onshoring. LG Energy Solutions and POSCO decided to invest in Indonesia to refine raw materials and processes, and manufacture EV batteries. They have partnerships with local mining companies and suppliers. Similarly, Hyundai Motors completed their factories in Indonesia and India,

targeting local consumers and exporting to neighboring countries. These investments and collaborations not only boost employment and exports, but also allows for technology transfers to local partners. IT can also be the regional value chain. We may cooperate in education, creative new industries, and digital and green transformations.

I would like to emphasize mutual interest. The Korean government often focuses on what Korea aims to do and needs; it is advised to change this view. The plan/roadmap must start with a question—what is it that the partner needs or wants, now and in 5 years. Thereafter, we should ask what is it that Korea needs and is able to do. Based on mutual interest, we could build long-term comprehensive relationships with substantial achievement.

YJIS: Do you have any other final thoughts and/or experiences which you would like to share with our readers?

YK: Technological development is fast; it changes society and business very quickly. Due to this, the aged can only provide good advice to young people within limits. I can only say, do not hesitate to take actions, but be patient where required. Experience tells you many things. Through experiences and studying, you should develop logical and critical thinking for making decisions: Why, how, when, where you start, quit, or change. Along with this, be patient – if you want to achieve excellent performance, you should make efforts and dedicate time. There is no shortcut to success.

ABOUT THE JOURNAL

Our Goal

The Yonsei Journal of International Studies (YJIS) strives to achieve a three-pronged goal for each issue: the opportunity for graduate students to publish their work, intense understanding of the process of a peer-edited academic journal, and a showcase for current research that attracts a diverse readership. Covering a range of disciplines, the aim is to make a unique contribution to the field of international studies and the academic community as a whole. YJIS aims to bring the world a little closer to Yonsei University and the Graduate School of International Studies, as well as bring Yonsei and the GSIS a little bit closer to the world.

What We Publish

The Yonsei Journal of International Studies strives to create a discussion on the most relevant issues in the field of International Studies. We welcome submissions from all scholars, including undergraduate students, graduate students, and junior professors. Please look at our prior issues to see the range of topics we have published.

We accept the following three categories of submissions:

PAPERS

This section includes feature-length articles of original research and must include proper citations and an abstract. 3,000 to 8,000 words.

ESSAYS

This section includes essays that conduct secondary research and must include an abstract. 1,500 to 3,000 words.

REVIEWS

This section focuses on evaluations and reviews of existing arguments contained in essays, articles, books or policy reviews. Maximum 2,000 words.

Submission Guidelines

Please follow all guidelines. Submissions that do not abide by the guidelines may not be considered for publication.

- No NAME or identifying information in the document
- Microsoft Word format
- Times New Roman 12 pt font for body text, 9pt font for footnotes
- 1 inch margins (“normal” margins in Microsoft Word)
- Double spaced
- Page numbers in upper right corner
- Chicago citation style (footnotes, NOT in-text citations)
- American English spelling (i.e., “center” not “centre”)
- Foreign words should be romanized according to the following systems:
 - Japanese: Revised Hepburn
 - Korean: Revised Romanization
 - Chinese: Pinyin

Please check out our website (theyonseijournal.com) for detailed instructions on how to submit. We accept submissions twice a year with the call for papers usually taking place sometime in March/April and August/September of each year.

Questions can be directed to editor@yonseijournal.com

**All contributors will receive printed copies of the journal by request.*

Rights and Permissions

- Each article submitted to the *Yonsei Journal of International Studies* is blindly peer-reviewed. All articles are judged based on relevance to the theme (if applicable), originality, argumentation, and prose. The Editor-in-Chief holds final authority as to which articles are published.
- Editors reserve the right to make changes following the Journal's style stipulations during the editing and design process.
- Published articles cannot be published elsewhere without written permission.

PEAR

PAPERS, ESSAYS, AND REVIEWS

YONSEI JOURNAL OF INTERNATIONAL STUDIES

Yonsei University - Graduate School of International Studies

Room 516, New Millenium Hall, Yonsei University

262 Seongsanno, Seodaemun-gu

Seoul, South Korea 120-749

theyonseijournal.com

+82-2-2123-7596

VOL 15 | Issue 1
Spring / Summer 2023

YONSEI JOURNAL OF INTERNATIONAL STUDIES
PAPERS, ESSAYS, AND REVIEWS

PEAR