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Assessment and Implications of Osaka G20 Summit: Role of Dialogue Channel among National Leaders

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The G20 summit held in Osaka, Japan on June 28–29, 2019 concluded with the adoption of the “G20 Osaka Leaders’ Declaration” that endorses free trade. Bilateral summits held on the sidelines of the G20 summit between neighboring countries surrounding the Korean Peninsula served as a venue to reaffirm their recognition of seeking denuclearization and building a peace regime on the Korean Peninsula.

China and Russia respectively held bilateral talks with North Korea ahead of the G20 summit. They delivered the message from Kim Jong Un, Chairman of the State Affairs Commission of the Democratic People’s Republic of Korea (DPRK), regarding this issue to President Moon Jae-in of the Republic of Korea (ROK) and U.S. President Donald Trump. Based on Chairman Kim’s words, President Moon managed to arrange a trilateral meeting of the two Koreas and the U.S. at Panmunjeom.

As such, the recent G20 summit reaffirmed the importance of bilateral summits that discuss the denuclearization and establishment of a peace regime on the Korean Peninsula within a multilateral framework. In particular, the effectiveness of bilateral meetings held on the sidelines of the G20 summit was once again confirmed in the following regard: China and Russia’s leaders shared the message from Chairman Kim at the U.S.–China, ROK–China, and ROK–Russia summits, and the relay of the message, in turn, has contributed to creating the atmosphere for the resumption of North Korea–U.S. talks.

Heads of states and regional and international institutions joined the Osaka G20 Summit held in Osaka Japan on June 28-29 and adopted the Osaka Leaders' Declaration, a pledge to "strive to realize a free, fair and non-discriminatory...trade and investment environment." However, the joint declaration has its own limits as it omitted the anti-protectionist pledge, which had been consistently upheld since the 2008 G20 Washington Summit, due to opposition by the U.S.

During the G20 summit, the world's spotlight was not only on the adoption of the joint declaration, but also on the bilateral meetings between neighboring countries of the Korean Peninsula including the U.S. and China that are engaged in a trade war. The highly anticipated ROK-Japan bilateral meeting did not take place as Japanese Prime Minister Shinzo Abe did not respond to President Moon's request. However, summits expected to show escalated tensions on current issues such as Trump-Xi and Trump-Putin meetings were concluded in some compromise and reaffirmation for their support to denuclearization and a peace regime on the Korean Peninsula.

This paper aims to provide an assessment of major bilateral summit meetings held on the sidelines of the G20 summit including the Trump-Xi, Moon-Trump, Moon-Xi and Moon-Putin summits that are closely related to Korean Peninsula issues. It also lays out the implications of those meetings for South Korea to further pursue denuclearization of the Korean Peninsula and establish a peace regime.

Unfinished Negotiations: U.S.-China Bilateral Summit

One of the most highlighted trade and economic issues during the G20 summit in addition to the Korean Peninsula issues was the U.S.-China trade war. During the summit, the U.S. succeeded in putting the worsening U.S.-China trade conflicts back on negotiating table. At the last year's G20 summit in Argentina, the two countries had agreed to a 90-day trade war truce and tried to reach a deal in subsequent negotiations but failed to do so. Later, the U.S. announced that it would significantly raise tariffs on imports from China. However, their tit-for-tat tariff war finally entered into a truce at the U.S.-China bilateral meeting on June 29. The U.S.

withdrew the threats of imposing an additional tariff on 300 billion dollars worth of Chinese imports and eased sanctions on Huawei, allowing the company to purchase U.S. parts and components. The two countries agreed to resume trade talks. This was made possible due to China's purchase of 544,000 tons of U.S. soybeans worth approximately 200 million dollars just prior to the U.S.-China bilateral talks on June 28. This would help President Trump's re-election bid by reinforcing his key constituency of rural farmers.

However, it is hard for the U.S. to stay optimistic about its trade talks with China considering the recent breakdown of its negotiations with North Korea. There is still a considerable possibility that the leaders between the U.S. and China would fail to reach consensus in working-level trade talks. In particular, White House National Economic Council (NEC) Director Larry Kudlow stated right after the G20 summit that the U.S. will continue to keep its sanctions on several export items critical to Huawei. This implies that there could be many obstacles lying ahead in working-level negotiations in the future. The absence of concrete agreements on following issues is another limitation of this bilateral meeting: reducing China's trade surplus with the U.S., the further opening-up of China's financial services, and structural changes in its economic system related to its forced technology transfer and industrial policies.

An important factor regarding issues of the Korean Peninsula is that President Xi not only delivered the message of Chairman Kim to President Trump, but also served as a facilitator of DPRK-U.S. denuclearization talks. One cannot exclude the possibility that China may have played a critical role in finding a breakthrough to DPRK-U.S. negotiations, especially leading up to the DPRK-U.S. Panmunjeom summit, by utilizing its influence over North Korea in return for the trade war truce.

ROK-U.S. Summit Driving DPRK-U.S. Summit

The United States was able to curb the escalating tensions in Northeast Asia and open a window of opportunities for compromise through the G20 summit. The

breakdown of the second DPRK-U.S. summit in Hanoi and the subsequent deteriorating U.S.-North Korean relations had been adding to security unrest in Northeast Asia. The G20 summit provided a platform for the resumption of denuclearization negotiations between North Korea and the U.S., opening up the possibility of resolving the issue through dialogue and compromise. However, it remains to be seen how the U.S. will resolve intractable issues with North Korea when negotiations resume.

President Moon planned to use the G20 summit as a turning point to restart the denuclearization process that had been stalled. Taking full advantage of the fact that the G20 summit took place in Osaka, Japan, which is close to South Korea, a separate ROK-U.S. summit in the ROK shortly after the G20 summit was arranged. It appears that President Moon intended to show a strong will of both leaders for peace on the Korean Peninsula by delivering a message of peace together with President Trump in Panmunjeom, a symbol of division of the peninsula. By doing so, he seemed to attempt to bring North Korea back to the negotiating table. President Trump went one step further, tweeting that he also wanted to meet with Chairman Kim at Panmunjeom. Chairman Kim agreed to his suggestion, which led to a trilateral meeting between the two Koreas and the U.S. at Panmunjeom. President Moon took a step back to allow President Trump and Chairman Kim to have a candid 53-minute long conversation, with some regarding it as the de facto 3rd DPRK-U.S. summit.

During the meeting, President Trump and Chairman Kim reaffirmed their commitment to Washington-Pyeongyang dialogue as well as denuclearization. The announcement that working-level talks on denuclearization would begin within two to three weeks raises expectations that denuclearization negotiations will progress rapidly on the extension of the Panmunjeom meeting. However, there are still mixed views on the prospects of working-level talks. The two leaders made no mention of the real issues during this meeting that were hindering progress in denuclearization negotiations. Furthermore, President Trump has stressed that economic sanctions against North Korea would continue after the talks. This means that no one can assure that the upcoming working-level talk will not be a repetition of the Hanoi summit which ended up with no agreement due to fundamental differences in both

parties' positions.

However, it should be noted that the Trump administration may have a strong incentive to make real progress in upcoming working-level talks. This can be expected to bring positive results for future denuclearization negotiations. Many experts believe that President Trump will use this Panmunjeom meeting to strengthen his domestic political standing. However, the Hanoi summit held in February showed that tangible progress in North Korea's nuclear issue requires agreements on specific measures in working-level talks in addition to a summit-level agreements on a larger framework. Only half a year has elapsed since Americans learnt this lesson from the Hanoi summit. They are likely to make no prior assesment on Trump's performance until they see the outcomes of the working-level negotiations. If no real progress is made, the public will devalue the Panmunjeom summit as a repeat of the Hanoi talks. In addition, some may doubt that President Trump has the will and ability to solve the North Korean nuclear issue. The U.S. is currently facing a number of diplomatic challenges, including those in Iran and Venezuela. If working-level talks with North Korea fell through, he would have to bear a considerable political backlash. Therefore, it can be a reasonable speculation that President Trump has a strong motivation to make tangible progress in the denuclearization process through this Panmunjeom meeting and the upcoming working-level talks.

Regardless of the assessment of further progress in denuclearization, the Panmunjeom trilateral meeting was successful in affirming the continuous strong coordination between the leaders of South Korea and the U.S. The momentum for the trilateral meeting was created when President Trump readily accepted President Moon's request to visit Korea after the G20 summit. Later, President Moon actively supported President Trump's spontaneous Twitter proposal on holding the trilateral meeting. During the process, the two presidents showed high levels of mutual trust and cooperation, which will have a positive effect of strengthening ROK-U.S. cooperation.

Venue for Information-sharing: ROK-China & ROK-Russia Summit

During the G20 summit, President Moon and President Xi shared their thoughts on the denuclearization and building a peace regime on the Korean Peninsula. It was significant that President Xi shared related news and impressions from his June 20-21 state visit to Pyongyang, which marked the first time a Chinese leader traveled to North Korea since 2005. It showed that China could contribute to DPRK-U.S. denuclearization talks to a certain degree. Up until early this year, the issues of the Korean Peninsula were not one of China's priorities due to its ongoing trade war with the U.S. and protests in Hong Kong. However, thanks to President Xi's visit to Pyongyang, the issue of denuclearization on the Korean Peninsula and DPRK-U.S. talks emerged as an important agenda once again.

The key points of Chairman Kim's message delivered by President Xi to President Moon during the 40-minute ROK-China summit at the Westin Osaka Hotel on June 27 are as follows: North Korea's unwavering commitment to denuclearization, advancement of North Korea's economy and improvement of people's lives in line with its new strategy, hopes for the subsequent ease of the hostile external environment, peaceful resolution issues through dialogue, hopes for seeking a reasonable approach with patience, and Chairman Kim's will to pursue reconciliation and cooperation with the South. It seems that President Xi's sharing of Chairman Kim's strong will to achieve denuclearization with President Moon who then relayed the message to President Trump created an environment conducive to the spontaneous Trump-Kim Panmunjeom meeting. In this regard, the ROK-China bilateral meeting was significant in that it facilitated the historic DPRK-U.S. Panmunjeom summit and official preparation of DPRK-U.S. working-level talks on denuclearization.

In addition, when President Xi mentioned the THAAD issue, President Moon responded by saying, "denuclearization should be addressed first to resolve the THAAD issue." The Blue House explained what President Moon meant by that: THAAD and denuclearization were regarded as correlated issues, not one being a prerequisite for the other. Although THAAD is a clear obstacle to strategic

communication and cooperation between South Korea and China, it is not easy to find a way to address the issue immediately. However, if China continues to support the denuclearization and peace process with patience, facilitate the DPRK-U.S. summit, and prepare practical measures for a security guarantee for the North Korean regime in cooperation with the international community, the THAAD issue could be promptly resolved. In addition to THAAD, President Xi asked President Moon to actively participate in China's Belt and Road Initiative. In response, President Moon promised to take part in joint construction projects and cooperate in developing third-party markets through the Belt and Road Initiative. Regarding this, it is important to note that President Moon voiced his support for the U.S.'s Indo-Pacific strategy during the ROK-U.S. bilateral meeting that took place after the ROK-China meeting. It raised concerns that Korea's support for the U.S. strategy which goes against China's Belt and Road Initiative could result in retaliatory actions from China as it once did in retaliation to the deployment of THAAD. In particular, President Xi pointed out during the ROK-China summit that the ROK-China relationship should be guided by "mutual respect and win-win cooperation and not be subject to external influence." Considering this, South Korea's participation in the Indo-Pacific strategy of the U.S. could cause backfire from China as it could give China the wrong signal that South Korea is joining the U.S. to contain China. In order to avoid this situation, South Korea should refrain from taking a side with either the Belt and Road Initiative of China or the Indo-Pacific strategy of the U.S., and harming any of the two countries' strategic interest. Rather, it needs to reconcile its own national interests with mutual interests of the two countries.

Meanwhile, during the ROK-Russia summit held in the middle of the night of June 29, Russian President Vladimir Putin shared the outcome of his summit with Chairman Kim in April. President Putin said that Chairman Kim had stressed that a security guarantee for the North is vital and corresponding measures should be taken in return for denuclearization. Russia has actively supported denuclearization of the Korean Peninsula and the process of bringing peace and prosperity on the peninsula that started in 2018. At the same time Russia has repeatedly raised concerns over the possibility that the international community's sanctions against

North Korea might lead to a humanitarian crisis and regime instability in the North, stressing that those sanctions should be partly lifted. With China, Russia jointly proposed a road map for the resolution of Korean Peninsula issues and praised the ongoing peace process for reconciliation on the Korean Peninsula which is being carried out according to this road map. The ROK government puts importance on its trilateral economic cooperation with North Korea and Russia that serves the national interest of the three countries and hopes that Russia can play a positive and constructive role in establishing peace and prosperity on the Korean Peninsula. Going further, Russia is expected to emphasize the need for the institutionalization of a multilateral body for security cooperation where security issues of Northeast Asia that center around the Korean Peninsula can be jointly discussed and to make diplomatic efforts to play a pivotal role in that process.

Implications of G20 Summit Regarding Korean Peninsula Issues

The most regrettable aspect of the Osaka G20 summit was the failure to hold a bilateral meeting between South Korea and Japan. President Moon requested a bilateral meeting with Prime Minister Abe of Japan, but failed to arrange it as Prime Minister Abe maintained his hardline stance against South Korea ahead of the House of Councillors election on July 21. However, it is no doubt that mutual cooperation between Korea and Japan is essential to achieve denuclearization and a peace regime on the Korean Peninsula and to resolve the issue of North Korean abductions of Japanese citizens. It is necessary for the two countries to recognize the difficulty in accomplishing denuclearization and a peace regime without restoring and further improving their relations. The opportunity to hold a bilateral meeting within the framework of a multilateral summit must be seized. Therefore, it is necessary for the two sides to continuously try holding a ROK-Japan summit at the upcoming ROK-China-Japan trilateral summit slated for this year that marks the 20th anniversary of the trilateral cooperation.

The biggest implication of the G20 summit is that the bilateral meetings regarding Korean Peninsula issues went smoothly. Although there were many

remaining bilateral issues on the table such as the U.S.-China trade dispute and the arms control issue between the U.S. and Russia, all neighboring countries reaffirmed their shared commitment toward the denuclearization and building a peace regime on the Korean Peninsula without breaking the framework of bilateral meetings. Furthermore, the effectiveness of bilateral meetings held on the sidelines of the G20 summit was once again confirmed in the following regard: China and Russia's leaders shared the message from Chairman Kim at the U.S.-China, ROK-China, and ROK-Russia summits, and the relay of the message, in turn, contributed to creating the atmosphere for the resumption of North Korea-U.S. talks.

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