

Geopolitical Analysis

**Deteriorating North-
South Korea Relations:
An Overshadowed
Crisis-in-the-Making?**

Background and Overview

All eyes were on the Korean Peninsula when North Korean leader, Kim Jong-Un, and former South Korean President, Moon Jae-In, signed the inter-Korean Comprehensive Military Agreement (CMA) in 2018. This would allow for the discontinuation of live fire exercises, the establishment of a no-fly zone over the border area and the setup of an inter-Korean liaison office. The CMA brought a flicker of hope to a relationship that has been characterised by tit-for-tat military activity for years between two states technically still at war, with active combat paused only by the Korean Armistice Agreement dating back to 1953.

Six years on, relations between the two Koreas are at their lowest point in years. Meanwhile, the world's attention and especially that of the US, the "global policeman" and a key South Korean ally, is increasingly divided between simultaneous crises in Europe and the Middle East, displacing the Asia-Pacific region at the top of the agenda. Without strong US backing to help moderate North Korean behaviour, South Korea, which lacks its own nuclear deterrent and is struggling to maintain its shrinking armed forces, is left in a precarious position. This, along with newfound Russian support, may drive North Korea to further lose interest in negotiations and embolden it to escalate hostilities to new heights. The demonstration of a weak US presence could even inspire a Chinese invasion of Taiwan, significantly worsening the regional security landscape overall.

The State of Current Relations

Tensions between North and South Korea first took a significant turn for the worse last November, when Seoul announced a partial suspension of the CMA agreement following an illegal satellite launch by Pyongyang. This was met with an order for complete suspension by Kim Jong-un and the resumption of front-line activity, including the rearmament of soldiers and rebuilding of decommissioned guard posts within the Demilitarised Zone (DMZ), a 240-kilometre long and 4-kilometre-wide border area between the two states.

In January, Kim abandoned a long-standing policy goal of reunification with the South, labelling them a "principal enemy", closed all government agencies associated with reconciliation and demolished the Monument to the Three Charters for National Reunification erected by his father. Then, in May, North Korea began dropping thousands of balloons containing faecal matter and other waste over South Korean territory in retaliation for earlier balloons released by South Korean activists carrying anti-regime propaganda leaflets, USB sticks containing South Korean entertainment and US dollar bills. The Neutral Nations Supervisory Commission (NNSC) stationed in the DMZ has reported an increase in the frequency of explosions emanating from the North Korean side of the DMZ, as well as breaches of the South Korean side of the demarcation line by North Korean soldiers since the start of the summer. In a latest show of power this month, North Korea deployed 250 new missile launchers to its frontline, reinforcing the heightened risk of an escalation.



Analysing North Korean Motives

North Korea's motives for ramping up hostile activity and rhetoric specifically since the beginning of this year are twofold. Firstly, this aligns with South Korea's parliamentary elections that took place in April, as well as the US presidential election scheduled for November. North Korea increases provocations during key election years in order to be perceived as a greater threat and to receive concessions from potential new bargaining partners in exchange for backing down. Secondly, aggression is necessary to secure regime survival. As domestic economic conditions, food shortages and strict border controls have significantly worsened recently, a narrative of war, backed by tangible verbal and physical attacks on South Korea, helps excuse the suffering of the population, increase patriotic sentiment and reduce the risk of dissent. The portrayal of South Korea as a proximate enemy also provides a justification domestically for prioritising weapons development programmes and earmarking approximately 16% of total GDP on defence annually.

Leveraging Russian Support – An Opportunity for North Korea?

The threat posed by North Korea may be growing as its new strategic partnership with fellow pariah state, Russia, could further expand its military capabilities and resources. Russia first came to the aid of North Korea in April, when it vetoed the renewal of the mandate of the Panel of Experts monitoring North Korean sanctions, limiting the ability of the international community to scrutinise its nuclear activity. This was a major diplomatic loss for South Korea, given that Russia once cooperated with the US to rein in North Korea. Kim Jong-un and Vladimir Putin later signed a mutual defence article in June pledging to assist one another if either is attacked by a third-party state. As a part of this deal, North Korea is now also feared to be gaining access to military technology to advance its nuclear, missile and satellite programmes.

Russian backing could permanently alter negotiation dynamics to the benefit of North Korea. It may dash any hopes the US has had for engagement, even with a change of administration in November, and the already miniscule chance of a settlement of the conflict with South Korea. In fact, the regime recently announced it “do[es] not care” about the results of the US election and denied any interest in dialogue with a potential second Trump administration, whom Kim had previously shared a pragmatic relationship with.

Challenges for South Korea: Wavering US Assistance and a Shrinking Armed Forces

South Korea, on the other hand, is confronted with declining support from its key defence partner, the US. In the context of domestic cross-partisan polarisation surrounding its global



leadership role, fears abound that the US' commitments may change. Current US foreign policy is predicated on deep engagement, requiring the maintenance of a military power sufficient to defeat any state attempting to dominate a region considered strategically important to the US. This policy is extremely costly, amounting to over USD 1trn on an annual basis. This is a fact emphasised by Trump, who, during his previous term demanded a 400% increase in financial contributions for the 29,000 US troops stationed currently in South Korea and accused Seoul in April of paying "almost nothing" in an interview with TIME Magazine. Trump's "America First" stance explicitly links overextension abroad to domestic decline and, if re-elected, he would likely alter policy to focus efforts and resources overseas more selectively. In fact, former Trump defence advisors, including Elbridge Colby, have warned South Korea must be prepared to defend itself, referring to the US military's wide range of commitments elsewhere and insinuating its inability to win multiple wars simultaneously. Even if the Democrats remain in power, US retrenchment remains a possibility and would greatly weaken the deterrent effect helping moderate North Korean behaviour, as well as signalling to China that Taiwan is an easy catch.

Further compounding South Korea's security woes is an extremely low fertility rate and fast-aging population. This is already being felt in terms of shrinking numbers of young men available for military conscription, with numbers in active duty having already dwindled from 620,000 in 2017 to 500,000 in 2022 and expected to decline to 360,000 by 2040. These figures are significantly smaller than North Korea's 1.3 million-strong army, with the imbalance having so far been compensated by superior training and equipment. However, with the failure of birth-rate promotion policies, the South Korean government is being forced to shift from a personnel-focused defence system to one based on artificial intelligence, combining manned and unmanned combat systems. Whether development will be quick enough to maintain the upper hand with the rising intensity of North Korean aggression is still unknown, especially with the extent of future US assistance in question.

Potential Solutions for South Korea to Consider

The latest announcement of a nuclear guideline strategy formalising the deployment of US nuclear weapons to the Korean peninsula has done little to calm security concerns, as the longevity of the agreement beyond the November elections remains in doubt. Considering the plethora of both rising external and internal security threats facing South Korea, it must urgently examine ways in which it can maintain its defence. Aware of its heavy reliance on the US, numerous South Korean politicians and press have contemplated obtaining its own nuclear arsenal, once considered an unthinkable option. In 2022, a poll by the Chicago Council on Global Affairs showed this idea was supported by as many as 70% of South Koreans. However, such a move would have serious consequences for the state's relationship with the US and China and



could encourage further states, such as Japan and Taiwan, to seek nuclear armament, normalising nuclear weapons usage and weakening the nuclear taboo norm.

South Korea could instead opt to raise its priority with the US by emphasising its strategically significant geographic location within the same neighbourhood as China. It could capitalise on the US government's view of China as a key security threat and its long-term objective of maintaining military power over Beijing to remind the US that it is in its interest for large numbers of troops to remain in the region. Should Trump secure another term, South Korea could seek close collaboration with his running mate, J.D. Vance, who has shown an interest in prioritising East Asia in foreign policy over the Middle East and Europe, to steer US foreign policy. In contrast, if the incumbent party wins, South Korea could become more vocal about former President Barack Obama's "pivot to Asia" in 2011 and stress the dissonance between this and current foreign policy.

Domestically, current president, Yoon Suk-yeol, has taken a hard-line stance towards North Korea, including diplomatic and economic isolation. This is radically different to that of his predecessor, Moon Jae-in's approach of engagement and has proven disruptive to relations with the North as well as long term defence planning. South Korea may therefore benefit from maintaining at least a basic bipartisan strategy capable of outlasting changes in administration.

Outlook: The Impact of Limited Versus Large-Scale Conflict

The most likely scenario for the peninsula, based on current trajectories, is that relations between North and South Korea will continue to worsen with limited scope for improvement over the medium term. Given Kim Jong-un's interest in regime maintenance, the risk of military failure will likely prevent North Korean engagement in a full-scale war. The use of greyzone (combining military and non-military) strategies, on the other hand, remains highly likely and is forecast to increase in intensity and impact within the next few months preceding the US election. This could include additional cyberattacks, balloons, GPS interference and spoofing – a tactic used to target civilian aircraft and trick pilots into drifting off course to enter North Korean airspace, where they are at risk of being shot down. Incidents of the latter are already severely affecting South Korean airspace and there is an increased risk that a fatal accident could occur in the near future. Air raid alerts may also become a more frequent occurrence in parallel with the launch of rockets and balloons by North Korea.

There is a moderate possibility that North Korea could exploit South Korean vulnerability and the US' distraction as an opportunity to stage a limited physical attack on the former. The South Korean military's unpreparedness and patchy air defence systems were already exposed in December 2022, when they failed to prevent a North Korean drone incursion lasting several hours. US intelligence officials have predicted that North Korea may next undertake provocative



military activity in October, designed to create turmoil. This could range from yet another drone incursion to a hostage-taking situation, similar to Hamas' attack on Israel in October of last year, in a less probable scenario. Such a provocation would test South Korea's limits and require retaliatory action that, especially considering the current lack of communication channels, could escalate into a full-blown conflict in the worst-case scenario. The US and China would then likely align on opposing sides, fuelling the return of dangerous power competition in the region, much like during the Korean War, when the US supported Southern forces against Russian and Chinese-backed communist Northern forces.

In the event of an outbreak of war, Seoul, which lies only 60 kilometres from the border with North Korea and is home to a population of 10 million (one-fifth of the total South Korean population), would have only minutes to respond to an air raid and could suffer up to 200,000 casualties within the first hour, according to a RAND report. Bloomberg Economics has estimated that one year of such conflict would cost the global economy USD 4tn, over twice as much as war in Ukraine. This is mainly owing to the fact that South Korea is a major producer of semiconductors, an essential part in the manufacture of many electronic devices, and is home to multinationals, such as Samsung Electronics and Hyundai Motors. A large-scale attack on manufacturing facilities would cause major disruption and temporary shortages of materials globally and international shipping lanes between China, Russia and Japan would most likely also be interrupted by warfare at sea.

Kim Jong-un's next move may be difficult to predict, but it is clear the North Korean security threat has been evolving in recent months. One way or another, further onslaughts of hostility are almost certain and the conflict risks quickly spiralling out of control if a miscalculation transpires. The scenarios listed give just a glimpse of the consequences the region could face if greater caution is not exercised and North Korea is given too much leeway. It remains up to South Korea to expedite the development of its military technology and regain the US' attention by advocating on its own behalf.



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