Executive Summary

1. South Korean President Moon Jae-in’s approval ratings in 2018 went on a roller coaster ride, soaring following inter-Korean summits and US-North Korea meet, and diving when domestic issues remained resolved. His approval rating hit 84% in May 2018, but in the last week of December 2018, it was slashed by more than half to 41%.

2. Success on the diplomatic front could be seen in the successful hosting of the Pyeongchang Winter Olympics and inter-Korean summits, brokering of US-North Korea meet and improving relations with China. However, a couple of diplomatic failures were deemed by the Korean public as a ‘loss of face’ and a blow to national pride and self-esteem.

3. Domestically, unemployment in May 2018 was the highest since 1999. From January to June 2018, the number of jobs created was approximately 800,000, which was only half the achievement made by Moon’s predecessor in the same period.

4. Moon urged the public to be patient as the three pillars of his economy policy, namely, “income-driven economy,” “innovative economy” and “a fair economy” need time to develop.

5. However, an “income-driven economy” was a hike in minimum wages by 10%, while an “innovative economy” was more restrictions and regulations and “a fair economy” to reform Korean conglomerates to redistribute their profits to the poor did not materialise. The hike in minimum wages in particular led to the massive lay-off of part-timers in the last few months of 2018.

6. Moon’s overemphasis on boosting inter-Korean relations at the expense of domestic issues could be costly to his political career in the year ahead. A failed second US-North Korea meet scheduled in the first quarter of 2019 could spell the arrival of a lame duck period for the president.