

**“Future of Northeast Asia and
the Korea-U.S. Alliance”**

May 18, 2021

WELCOMING REMARKS

CHEY Tae-won

Good morning. And greetings from Seoul. May I begin by congratulating the CSIS and CIAS for their landmark paper on US-Korea relations. I’m grateful to President Hamre, Prof. Nye and Dr. Cha for their tireless dedication.

This report speaks to the quality of our academic exchange, but above all, it is timely. We have not yet turned the corner on the pandemic, but this report already gives us a sense of purpose and also coincides with the new U.S. administration, one that has promised to re-engage with the world and nothing could have been more important today. A few years ago, Prof. Nye published a paper on the so-called ‘Kindleberger Trap.’ The idea is that the superpowers provide global public goods, such as international security and financial stability, and that when superpowers fail to provide these goods, the international system is prone to collapse.

This is a fundamental learning point for today. China and United States must not fall into this trap or surrender to protectionism. Those powers must affirm their role as providers of global public goods. But we cannot rely on superpowers alone. The regional players must also play their parts, and we therefore have a collective responsibility to sustain U.S.-Korea relations to drive industrial and technological cooperation to foster deeper cultural ties.

Likewise, the public sector must also rise to the occasion. The corporations are the deliverers of essential goods, such as a public health, infrastructure and energy. As the emitters of CO₂, the corporations are also at the frontline in the protection of environment. Our planet is the ultimate public goods. At the SK, we frame these responsibilities through the prism of ESG and are transforming our business to optimize our footprint. We are, for example, decarbonizing our energy portfolio and build a new hydrogen economy. To conclude and in my view, the delivery of measurable – social and environmental, public goods – should to be the bedrock of U.S.-Korea relations. The CSIS report is a milestone as we look to deliver resilience and value in our bilateral ties. Let us now build upon it and bring about a stable and prosperous future for all. Thank you.

John HAMRE

Well, I want to say thank you and welcome to all of you. It's a real privilege to be with all of you today. And let me just reflect back on a very important conversation that I had with Victor Cha and I had with Chairman Chey. This was about a little over two years ago, and we were in Tokyo when the Chey Institute funded a very significant conference at the University of Tokyo. And we were there, and we spent an afternoon with chairman Chey talking about the great challenges; that both of our countries are seeing in Asia. And it was Chairman Chey who said, you know, we really do need to take a more strategic look at this problem. And we thought it was exactly right. It took a bit of time to conceptualize the project that was of sufficient grandeur to implement this.

And I am very pleased with the way we were able to work with Amb. Park In-kook to hold together this product. And you are going to all hear about it today. I have said in many occasions that in my personal view, America's most important relationship in Asia revolves around our partnership with Korea.

If there is a strong bilateral partnership with Korea, there will be peace and security in Northeast Asia. But it is not just to be nostalgic. We have to be looking forward for the challenges that we face together. And this project and the remarkable colleagues... And I am so proud to have been associated with these colleagues who will speak to you shortly brought their insight, their commitment, their passion for a strong, peaceful, free Korea, and a peaceful Northeast Asia. This was at the heart of our commitment as we brought to this project.

I am very proud of what we have been able to do together. But we are not done. We are going to have to spend more time thinking about this future. We share it together. It is our shared future. This very important project and paper that we have produced is not the end. It represents a milestone on a continuing journey – a journey of partnership for security and peace in Northeast Asia.

I want to say thank you to the Chey Institute and to Park In-kook for having been instrumental in shaping the dimension of this. I am very interested to hear the comments that our colleagues are going to make following this opening because I hope everybody listens carefully. Our future together depends on listening to each other and understanding each other as we shape the environment that is going to be good for both of our countries. Thank you for including me tonight.

REPORT LAUNCHING

PARK In-kook

Thank you. Good morning, ladies and gentlemen.

Today's august gathering holds very special meaning. It not only wraps up almost half-year journey of our Commission, but also celebrates the publication of the "Joint Report on Northeast Asia and the Korean Peninsula." This report contains noteworthy discussions we held through four times of public or closed sessions, including nitty-gritty details as well as a grand design for the future of the region.

The Commission on Northeast Asia and the Korean Peninsula was launched by Chey Institute and CSIS in December last year to form a collective vision for the future of the region and the ROK-U.S. alliance.

The Commission was born out of private discussion a few years ago between Chairman Chey Tae-won and President Hamre to look into the future landscape of Northeast Asia for the next decade.

This Commission was launched with the following three key themes: First, the future of U.S.-China relations under the Biden administration and its impact on the Korean Peninsula; Second, the prospects for the North Korean denuclearization and the future of the ROK-U.S. alliance; Third, the future of multilateral diplomacy in terms of global public goods, including cooperation in emerging new frontier issues.

To take on the exciting but daunting tasks ahead of us, Victor and I each assembled the American and Korean "dream teams" respectively. Most of them have had worked in senior-level government positions, so that our policy recommendations, I believe, would have more practical inputs in Washington and Seoul. I'd be remiss if I forget to send my special appreciation to Prof. Joseph Nye and president Hamre for not missing a single session and making a great contribution to this unprecedented academic journey to be a great success.

So, without further ado, I came up with the following table of contents to properly sum up all the important details of our discussion. Each section covers all the themes I mentioned before with specific recommendations. I hope this report will clarify today and the future of Northeast Asia and ROK-U.S. alliance. This joint report will be available for download on Chey Institute website, as well as this event's YouTube page. I thank you.

PRESENTATIONS

Victor CHA

Thank you. Thank you, Jie-Ae, very much for that great introduction. And good morning for those of you in Korea. Good evening for those of you on the East coast or, and in Washington, DC.

I too want to celebrate this wonderful report that the two sides have put together. I acted as the project director for the U.S. side. And as Amb. Park said, this is something that we started in earnest in December of last year virtually. But it was an idea that we had been talking about for almost two years going back, as John said, to that conversation we had with Chairman Chey in Tokyo, at the university of Tokyo campus. So, I want to thank Amb. Park In-kook for his leadership throughout this project and to Chairman Chey, of course, for bringing this idea to the forefront initially. And of course, on the U.S. side, our commission leaders – Prof. Nye and Dr. Hamre. It has been a pleasure to work with you on this.

And we have some of the members of our U.S. commission who will be speaking tonight - General Vince Brooks and Dr. Sue Mi Terry, but there were other members who were unable to join us.

I want to also thank, in particular, Dr. Katrin Katz who was the scribe for us for this report. Just did a terrific job taking four two-and-a-half, sometimes three-hour meetings and putting together really a fantastic piece of work that already has had impact on policies, both in Seoul and Washington. So, Dr. Katz, thank you so much for that. Okay. So, to get us started this evening, we are going to have a set of remarks by the folks on the agenda – Joseph Nye, Amb. Ahn Ho-young, Gen. Vince Brooks, Dr. Kim Byung-yeon, Dr. Sue Mi Terry and Amb. Kim Hong-kyun. We will go in that order and I will start with one of the commission leaders on the U.S. side, Dr. Joseph Nye, who is the distinguished service professor at Harvard university, trustee of the Center for Strategic and International Studies (CSIS), and of course, widely known to any who have an interest or even dabble in foreign policy as one of America's leading foreign policy thinkers. So, Prof. Nye, over to you for your initial remarks.

Joseph NYE

Thank you, Victor. And thank you for your leadership on this commission. Of the various topics that Amb. Park mentioned, I am going to focus on the first, the geopolitical one. And there, I think the question of where does the U.S.-Korea alliance fit in the geopolitics of Northeast Asia is that we are seeing a world that is changing in a way that Northeast Asia is becoming a fulcrum of global geopolitics once again. In that sense, many people have observed that the biggest tension or dividing line in U.S. politics or world politics is going to be the U.S.-China rivalry. Many people have called this a new Cold War. I think that is a mistake because it is really not like the Cold War that we knew before. There is a much higher degree of interdependence between the U.S. and China. Henry Kissinger has sometimes said that rather than 1945 and Cold War metaphors historically, we should think of 1914 and the dangers of stumbling into unwanted but disastrous conflict.

So, in that sense, I think the geopolitics of Northeast Asia are going to become increasingly important because of this U.S.-China rivalry. Now, geopolitics in Northeast Asia is not new to Korea. Korea, because of its geographical location between larger powers, has been always caught in a geopolitical dilemma. If it allies with either of its close neighbors, it becomes captured by them. And in that sense, Korea has followed a very sensible strategy, which was to have an alliance with a distant great power, and to borrow the power of that distant power, because they had no local territorial aspirations. And that of course is the importance of the U.S.-Korea alliance.

Now that insight, which came in the period after WWII, remains true today, but it is not easy for South Korea. South Korea wants to keep reasonable relations with China, indeed given the size and scope of the Chinese economy. All of East Asia wants to keep reasonable relations with China. But also, South Korea realized that while it wants reasonable relations with China in the long run, it still has to keep its alliance with the United States. In that sense, the geopolitics has not changed and keeping a close U.S.-South Korea relationship is absolutely crucial for the future of South Korea and stability of the region.

Now, there are a number of hard calls that this raises in domestic politics in South Korea. There are different partisan views about how close the relationship would be. There are also different views of how much there should be rapprochement with Japan and the historical tensions that have risen over the past. But in that sense, for Korea, as it focuses on the future geopolitically, it has to remember that keeping that relationship would be crucial.

Now, it becomes additionally complex because of the dangers of North Korea and the unpredictability of North Korea. But I am going to leave that to my succeeding speakers to deal with. I think the important point is that, it is important to realize that the U.S. and South Korea are locked into community of fate. With American troops located in South Korea and American families located in South Korea, there is no way that North Korea or China or anybody can attack South Korea without killing Americans. In that sense, we are locked together and that part of the alliance is solid. And that is the future of Northeast Asia and depends upon keeping the U.S.-Korea alliance in good shape.

But I also want to point that there is more to just the geopolitics of Northeast Asia that is involved. There is also a question of a broader effect of the U.S.-Korea alliance on global politics and multilateralism. Sometimes people call the U.S.-China rivalry, a new Cold War. As I said, this is a mistake. There is much more interdependence than there ever was in the Cold War. I have called it “cooperative rivalry.” There are some aspects of the U.S.-China relationship where there is keen rivalry; let’s see, the freedom of navigation in the South China sea is an example.

But there are other areas which have to be dealt with by cooperation. If you take areas of global public goods that we heard from Chairman Chey, you cannot solve issues like pandemics or climate change acting alone. You have to work together to deal with these issues. In my book “Do Morals Matter?”, I have used the term ‘learning to distinguish between power over others

and power with others.’ And for these new aspects of global public goods, we have to deal in terms of ‘power with others.’ At the same time, we cannot neglect the geopolitical aspects that relate to ‘power over others.’

In that sense, the role that South Korea can play in the alliance of taking a lead on some of these issues like pandemics or climate change is going to be crucially important, not just because of its local geopolitical effects, but because of its opening up of the whole question of the balance of power in Northeast Asia to the larger effects on global politics.

So, I think that what we have tried to express in the report is not only the rock solid importance of the U.S.-Korea alliance in traditional geopolitical terms, but also the importance of a joint leadership between South Korea and the United States working toward these broader issues of power with others to deal with the provision of global public goods.

So, I think that we have tried to point a direction in the report for a better world and a role for the U.S. and Korea working together. And I hope we are able to carry that forward. Thank you.

Victor CHA

Thank you, Prof. Nye, for those excellent overview and overarching remarks that provides a great framework both that inform the report and also helps us push forward with the discussion. I’d like to now go to Amb. Ahn Ho-young from the one of the Korean members of the commission. He is president of the University of North Korean Studies, and he was former South Korean ambassador to the United States. So, Amb. Ahn?

AHN Ho-young

Good morning to all my friends in Korea, as well as in Washington, DC. Prof. Joseph Nye, it is such a pleasure to see you once again. And I have to tell you, it is such a pleasure and honor to sit at the same commission with you over this project.

And when I meet with Prof. Nye, that I am often reminded about one book he wrote back in 1990s and it was soon after the end of the Cold War. And then the book was titled “Bound to Lead.” And I hope Prof. Nye, you still remember that book. And in that book, it was a forcible advocacy for the United States to continue to play the leadership role, even in the post-Cold war world. And when I first read it in 1990s, I said to myself, it in fact is a very timely and relevant message for the United States, but at the same time for the world. That is what I thought when I read it as a young man back in 1990s. Today, after 30 years, what do I think about the book and the message contained in it? I have to tell you; I find that message even more relevant today after 30 years. And then, for that, I should be thanking you, Prof. Nye, for your service. But at the same time, I, in fact, wish to remind everybody that fortunately, the gentleman who sits at the White House today, President Biden, of course is a gentleman who shares the same belief with us.

So, having said that, in ten days' time, President Moon is going to meet with President Biden in Washington, DC on May 21st. So, wish to make three points out of the report, which we are just publishing today.

The first point is on North Korean nuclear issue. And just in time, the United States has released and confirmed that its review has been completed. And then I read of what the White House Press Secretary said and what she said basically was, the efforts we made under the past four presidents didn't work. And then because of it, our new efforts – it will not be Trump's grand bargain nor President Obama's strategic patience. That is what I read. And then the impression I had when I read that passage was, it seems to be the case that the underlying emotion of this statement seems to be a little bit of frustration and an urge to try something new because of that frustration. And I said to myself, well, if we wish to do that, then of course we should be very, very conscious about what in fact was responsible for the failure. And I think it was not so much because the U.S. strategy was wrong. It was far more because North Korea was firmly determined to develop nuclear weapons. That, I think, is something we have to keep in mind. And what I said to myself and wanted to tell my American friends was “do not blame yourself too much.” Let us just understand why it did not work in the past in order to think about what we should be doing in the days to come, which leads me to a relevant point, which is the importance of ‘deterrence.’ And I was very glad when President Biden came to speak at the joint session of Congress on April 28th, and then he said, “this North Korean nuclear issue - I will try to pursue it through diplomacy and strong deterrence.” And I said to myself that in fact is a relevant message and what, I think, should be happening would be. Of course, I agree with the message in the sense that it should be addressed through diplomacy and strong deterrence. And I hope when our presidents meet on the 21st, they could discuss about some concrete actions. They should be taking them together to make it happen on the field.

My second point, it is Prof. Nye's favorite point, which is the geopolitics in Northeast Asia. Prof. Nye already said that geopolitics, it is not new in Korea. And Prof. Nye also said that because of the rise of China, maybe Koreans feel very much of a dilemma about how to position itself between the United States in China. And I think maybe because of that dilemma, there are a large number of people in Korea who think we should be keeping our cards to ourselves, and then try to respond to the occasion, card by card, issue by issue, which is often called as strategic ambiguity. And each time I have an opportunity, this is what I say, which is strategic ambiguity would not work in the long run. Why? Because it will only deepen the impression that Korea is the weakest link in the network of U.S. alliance in Asia Pacific. And that will lead to Korea losing credibility with both United States and China. So, in this place, I have always said, well, we must stick to strategic clarity rather than ambiguity. That is what I believe in. And then at the same time, I have to tell you, and then again, this is a point which has been mentioned by Prof. Nye, which is the relationship between Korea and Japan. But at the same time, we always try to think not only about the bilateral relationship, but also the trilateral context among Korea, United States, and Japan. And during the second term of President Obama, then I had the pleasure of serving in Washington, DC. And at the time, I had an opportunity to watch Vice President Biden in action. And then of course I had the pleasure of

working closely with Blinken as deputy secretary of state and Jake Sullivan as foreign policy advisor for Vice President Biden. And then I was very impressed to how much they were committed to keeping the trilateral relationship among Korea, United States, and Japan.

And again, when our two presidents meet, I very much hope that there could be discussing about concrete actions they could be taking together in order to further strengthen the trilateral cooperation among Korea, United States, and Japan. Which leads me to my third and last point, which in our report, it has been termed as “new frontier issues.” And then of course, new frontier issues are very important. And then in this context, I am being reminded about what Chairman Chey said. And then Chairman Chey said when maybe the vision, the future vision for the relationship between Korea and the United States, it may be delivery of public goods through bilateral efforts between the two countries. And I said to myself, that in fact could be a very relevant message. Why? Because no relationship can prosper without a vision, and Korea-U.S. alliance has worked so well over the past seven decades.

But at the same time, and then I said to myself, why has it worked so well? Because in my mind, it has always succeeded in renewing itself, in adapting itself to the new changes. But I think we must be always thinking about what would be the vision for the future of the alliance between Korea and the United States. And then this morning I was listening to Chairman Chey and then he said, deliver your public goods. It really appealed to me, but at the same time, even when I was preparing for the report, then I said to myself, there are so many new frontier issues we could be working together between Korea and United States – pandemic, obviously; climate change; new technology; supply chain; air and space; cyberspace. The list goes on and on and on. Of course, we can do it alone, but at the same time, we can do it far better if we do it bilaterally. But at the same time, as again, Prof. Nye said, we can do it even, even, even better if we do it in the global context.

So that is the reason why I think... Well, by the way, a couple of days ago, we had an opportunity to listen to Ed Kagan, Senior Director for Asia at the NSC. And then the subject was Quad – what is Quad, and what could we do together for the Quad. And even before listening to Ed Kagan, then, I was saying all the time, which is that there is no reason why we should not be participating in the Quad activities because for today, I think there are at least three working groups at the Quad, which are respectively on the issues of pandemic, climate change, and technology. And I have to tell you, there are so many things, so many contributions we can make for each and every one of those subjects. So, I do not see any reason why we should not be participating in those Quad working groups.

So, I just talked about North Korea nuclear issue. I just talked about the geopolitical issues. And then I just talked about the new frontier issues. And whatever the issue may be, I think there should be the overriding theme, which is how we can make best of the alliance we have between the Korea and the United States, which in fact was the essence of the report. And then for that, the most important element we must always try to keep in mind would be how to build trust. So, thank you so much.

Victor CHA

Okay. Thank you, Amb. Ahn for those terrific remarks. Yes. I would agree that in the context of our discussions, we talked quite a bit about the resilience of the alliance and how they maintain it in ways that we could do it. And one of the most vibrant topics of discussion as you have so eloquently put it was our discussion of how the alliance can perform better to provide public goods or the non-security benefits of the military alliance. But of course, we would never neglect the security benefits of the alliance. And so, our next speaker will address some of these. He is General Vincent Brooks. I think he is no stranger to any Korean. He is currently chairman and president of the Korean Defense Veterans Association. And of course was former Commander of U.S. Forces Korea, UN command, and the ROK-U.S. Combined Forces Command. So over to you, General Brooks.

Vincent BROOKS

All right, thank you very much, Victor. And I join with everyone in saying how honored I am to have been a part of this very distinguished CSIS and CHEY commission. What a group of great individuals with such extraordinary experience and depth. And I think that the result of our work together will be something that will be beneficial to both governments and others to consider. Let me just spend a few minutes adding to the comments that have already been made as I focus on U.S. and Republic of Korea security, as well as deterrence. And certainly, these two ideas are woven throughout every other aspect of what we will discuss tonight and is well, what is included inside of the report.

I will start by saying that the United States-Republic of Korea security must be viewed in several contexts. The first is the special nature of this alliance. It is an important alliance. It is a long-standing alliance. We have talked about the importance of the resilience of the alliance, and it is as important today as it was in the past. As we discussed in the commission, it is also broadly supported by both the United States and Republic of Korea populations. And that is a good position to be in. The alliance has been challenged though by transactionalism and populism. These political dynamics have impacted the approach to the alliance relationship keeping. And as a result, there is a need for restoration of mutual trust. As this has already been highlighted before, there has to be the true depth of trust as each country looks at the other and as they view themselves committed to one another. And that trust has to overcome any doubt, and that requires work and attention like it does in any relationship. The good news is there are some steps that are already occurring in this direction between the ongoing Moon administration and now the relatively new Biden administration. And I think that will only increase in the days and weeks that come after their summit meeting.

It is important to also consider the context of China's behaviors in the region. We have talked about the geopolitics, and that is a very important aspect considering the security framework. It broadens the security framework from being a North Korea-focused view of security to a view that requires an appreciation of that changing geopolitical landscape. Things are changing

in Northeast Asia and in Asia at large, and in the broader Indo-Pacific. An example of this change is the punishment of the Republic of Korea by China after the deployment of the Terminal High Altitude Area Defense system, and a view in the Republic of Korea certainly held by many on the commission that the response by the United States was dissatisfying at least. It left a doubt in the minds of too many Koreans that there is a diminished level of commitment between the United States and Republic of Korea to threats, especially threats that go beyond traditional security matters.

And it is very important now that China be dissuaded from the view that the Republic of Korea is a weak link in the United States alliance system. And you have heard that comment already made, but that cannot be viewed as the truth. That has to be demonstratively the opposite, that it is the strongest link in the alliance system. And both North Korea and China, as we discussed, will continue their efforts to drive a wedge into the Korea-U.S. alliance relationship. It is in their interest to try to do that, to have a weak Korea-U.S. alliance. But indeed their efforts and their initiatives can be hindered, thwarted, even deterred by the strength of the alliance.

And finally, with regard to context, it is important that actions are taken by both presidents of the Republic of Korea and in the United States to deepen that mutual trust and that commitment that really forms the bedrock for securing the alliance against military and economic security challenges. And this is how we have to see it.

A few last comments here – more on the topic of insurance. I would say that derived from the core of the U.S.-Republic of Korea security is the effectiveness of deterrence. And I just want to emphasize that as we discussed, deterrence must be built on balancing of the diplomatic negotiations on one hand, and the strengthening of the alliance defense posture to deter North Korea's nuclear and missile ambitions on the other hand. This has to be a balanced approach. If it is skewed too much in one direction or the other, it is certainly likely to fail, and we cannot achieve the comprehensive outcome that is the desired end state. At the same time, the allies have to maintain the practice of discussing in advance their plans to respond to any provocations by North Korea, especially, and by China, I would add in that regard. This prior consultation and discussion should be an ongoing matter. It has been in the past. Then there are some times where it has not been, and it is very important as we go into the future that there is a common understanding of the options that are available to respond and how those options would be measured against the rest of the geopolitical dynamics. So those are a few comments. Again, I am very honored to have been a part of this, and I will pass it back over to you, Victor. Thank you.

Victor CHA

Thank you, General Brooks, for those great comments. As you noted, we did spend quite a bit of time in the commission and our meetings talking about China and ways in which China's rise has posed challenges for the alliance. And then of course your points are very well taken on rebuilding trust and the credibility of deterrence in the alliance after some difficult years.

We will now move to Professor Kim Byung-yeon, who is professor at Seoul National University who will offer some comments on a topic that we have not yet discussed this morning/this evening: North Korean economy. So, Prof. Kim.

KIM Byung-yeon

Hello, good evening and good morning. I have learned a lot from this commission and by participating in discussions and writing the report.

General Brooks talked about the security issues, and we know that the largest threat to security in Northeast Asia and the Korean Peninsula is North Korean nuclear weapons. So, I will try to talk about this issue. Before I deal with this issue directly, let me say about North Korean... Kim Jong-un's strategy. We know that Kim Jong-un, he tried to stick to his old policy, self-reliance policy. It is like driving a car at roundabouts in Britain. It is like a circle at roundabouts, and he may ponder on which exit he will take, but I think "is that possible for him to keep rotating, driving in circles endlessly?" At some point you will take by being forced or voluntarily, I do not know yet, but we can expect some dramatic turnaround. I cannot rule out that possibility. Why? One thing we have to look at is the economy, and I presume that North Korea's GDP has declined by about 20% from 2017 to last year. So, he cannot keep driving in circles.

Then the Biden administration approach, I would call it a pragmatic approach. I think that is an inevitable compromise, and perhaps the only feasible way to proceed. The question is how to make it work in practice. Our strategy is to maximize the cost of holding and developing nuclear weapons, and at the same time, to maximize the expected payoff or benefits when North Korea abandons nuclear weapons. We have three instruments. One is the sanctions. The second one is projects for economic development. And the third one is the peace regime in the Korean Peninsula. The first one, [which] refers to the first strategy, is to maximize the cost. The second and last ones refer to the maximization of benefits, expected benefits. So, we have to identify the menu of each of three instruments. Also, we have to identify the worth or value of price of these elements. We have fairly obvious view about what is at the menu for the sanctions and for a peace regime of the Korean Peninsula. But what is uncertain is about the menu of projects for economic development.

In that regard, I would like to talk about role of China. We have to make sure China is on board with North Korea being denuclearized. So, I would like to propose a kind of establish a kind of a six-party talk or to start with a four-party talk including South Korea, United States, China, and Japan. This committee will think about what kind of projects are available for North Korea's development and this project, of course, is to be exchanged for North Korea's denuclearization. When they make a progress, we should give these projects. I think that this kind of committee can take place at 1.5 track. I believe this has three advantages. The first one is, of course, we have to understand what kind of projects North Korea wants. We may have some ideas, but we have to listen to what North Korea wants. And China is well positioned in understanding the need or demand or the wish or desire of North Korea about the economy. So,

China can play a role in making it known to us what kind of projects North Korea wants. The second one is of course United States can give a signal to North Korea, [which] is not hostile, but sincerely wants to develop North Korea. That is, I think, very important to North Korea at this stage. The third one is as Prof. Nye emphasized, the relation between United States and China is a cooperative rivalry. And you would see the North Korean matter is of cooperation, not rivalry between United States and China. In that way, I think China can give some kind of role, can have some kind of role, in making North Korea denuclearized at the aspect of cooperation, not rivalry. Thank you so much.

Victor CHA

Thank you, Prof. Kim, for those great remarks on the North Korean economy. We will now continue on the topic of North Korea, which the commission spent quite a bit of time discussing, given the prominence of the issue for the alliance, and go to my colleague Dr. Sue Mi Terry, who is a senior fellow at the Center for Strategic and International Studies in the Korea Chair, formerly worked on both the NSC and the CIA as one of the U.S. government's senior Korea analyst. So, Sue, over to you.

Sue Mi TERRY

Thank you, Dr. Cha. It has been really my honor to be part of this joint commission in producing this very timely report in the aftermath of Biden administration's North Korea policy review, and prior to President Moon and President Biden's first summit coming up. Since Amb. Ahn and Dr. Kim Byung-yeon have so eloquently articulated in North Korean issues on both threats – nuclear and security threats, and the economic situation – I will just speak a few minutes on what the commission recommendations are in terms of overall U.S. and South Korea's policy approach to North Korea.

Amb. Ahn mentioned that U.S. and South Korea, we should not blame ourselves too hard regarding where North Korea is today in terms of their nuclear program. I agree; I do think mistakes were made by the four U.S. administrations along the way, but it is hard to say if that any of them are decisive, right? If the U.S. or South Korea has not done X or Y, then North Korea will not be a nuclear state today. I think that is too hard. Let's not be too hard on ourselves. But what is a way forward? Obviously, preemptive strike is not a viable option. We all agree with that, too risky and too costly. We can stick with sanctions and deterrence, but what are some of the more concrete approaches we should pursue?

So, this commission agreed, we talked a lot about this, and we agreed that North Korea, first of all, should be the top, one of the top priorities, for the Biden administration. We did express concern, whether we might see a possible divergence emerging between President Biden and President Moon in terms of their approaches to North Korea, because we agree that first and foremost, what is the most important thing is for U.S. and South Korea to come up with a

common strategy and detailed implementation process on achieving denuclearization of North Korea, as early as possible.

We also agreed that comprehensive agreement needs to be pursued with a clear end-state goal. What is it? CVID. We need to have a clear end state goal, even though we acknowledge that the implementation of the agreement would necessarily have to be gradual. And Biden's team just announced that they will be pursuing a more practical approach as well.

We also recommended that the U.S. and South Korea take a so-called "hybrid approach." We talked about this and we said, okay, we need to combine this top-down and bottom-up approaches rather than sort of solely just going with one of them. And that U.S. and ROK alliance needs to utilize a strategic mixture of diplomatic negotiations with the North and improvements in alliance's defense posture to deter and defend against North Korea's growing nuclear missile threats as General Brooks so eloquently outlined. General Brooks emphasized the importance of balanced approach. And that is what we agreed on.

And in this vein, as Professor Kim Byung-yeon just noted, we should apply economic pressures such as sanctions, but not only as sticks, but as potential carrots, such as economic development projects. But of course, they will have to depend on North Korea's corresponding denuclearization measures. But the point is we are seeking to tie sanctions with positive economic incentives by deploying sanctions and inducements. Incentives in tandem are important to support such negotiations. So, that was our suggestion rather than easing sanctions related to proliferation of weapons of mass destruction. We need to basically provide them with alternative economic or humanitarian assistance in exchange for meaningful steps towards denuclearization.

But we did have concerns and we noted concerns about how potentially a piecemeal interim agreement without clear understanding again of the final goal or timeline could be exploited by North Korea. We were concerned that that will lead to international acceptance of North Korea as a de-facto nuclear weapons state, which is a goal that the regime has long been seeking. We also talked about some concerns over risk of possible nuclear proliferation of North Korea, which obviously has global implications as well as possibility of regional proliferation risk as well. But for the near term, I think we also talked about North Korea, Kim Jong-un returning to a campaign of provocations in the months to come, to dial up pressure on the Biden administration, to gain attention from the Biden administration. And that is what they do. That is what they always historically have done. But the point is in response to such possibilities, we explored the options and we talked about the need to talk about this in advance, and have a response in advance to such provocations. And then we talked about the practical ways to, again, strengthen deterrence and defense capabilities, including extending the credibility of the extended deterrence by the United States.

Finally, Dr. Cha and General Brooks and Prof. Kim all mentioned that we talked a lot about the role of China and also U.S.-ROK-Japan trilateral security cooperation, because no matter what, whatever future negotiations we have with North Korea, we do have to have participation of

Beijing. We cannot maximize sanctions. We cannot implement sanctions simply without Beijing's participation. So, we need to ultimately secure China's cooperation on this effort. It is just not possible without Beijing's commitment to exercise its leverage over North Korea. And of course, U.S.-ROK-Japan security cooperation is also something that we need to pursue. It is an effective way of dealing with North Korean threat, but of course we acknowledge also the immense challenges that is in the trilateral relationship. I will end it there, Victor.

Victor CHA

Thank you. Excuse me. Thank you, Sue, for those terrific comments. I have a feeling that in the discussion, we will talk more about this. Especially as we have just had the conclusion of the policy review here in Washington and then the summit coming up between President Moon and President Biden. Our last formal speaker for this morning/this evening, certainly not the least, is Amb. Kim Hong-kyun, who was the former Special Representative for the Korean Peninsula Peace and Security Affairs in the Ministry of Foreign Affairs, and therefore of all of us probably has the most recent and deepest experience negotiating with North Korea and the other members of the six-party talks on the denuclearization issue. So over to Amb. Kim.

KIM Hong-kyun

Thank you, Victor. It is good to see you and other colleagues again, and I am also honored to be part of this commission. As mentioned by previous speakers, the Biden administration announced that it has finished the 100 days of policy review on North Korea. And the detail of the Biden's North Korea policy is not yet known, but according to White House Press Secretary Jen Psaki and I quote, the goal remains the complete denuclearization of the Korean Peninsula and the policy will not focus on the achieving a great grand bargain, nor will it rely on strategic patience. She also said the policy calls for a calibrated practical approach that is open to, and will explore diplomacy with the DPRK, and to make practical progress that increases the security of the United States, the allies, and the deployed forces.

It seems to me that the Biden administration seeks something between Trump's everything for everything and Obama's nothing for nothing. So, the Biden administration does not want to give a name to its new North Korea policy. It looks like a phased approach seeking small deals, while the ultimate goal of the complete denuclearization of North Korea remains unchanged. The deals could include a freeze of nuclear activities in Yongbyon, a freeze of production of fissile material, or a cessation of the production of long-range missiles like ICBMs. In return, the United States may offer humanitarian assistance including Corona vaccines, end-of-war declaration, exchange of liaison offices, or partial lifting of economic sanctions.

However, it is uncertain whether North Korea will grab this opportunity proposed by the United States. The initial response of North Korea is negative. It sees the diplomacy President Biden mentioned in his address to Congress as a pretext to hide the so-called hostile policy against

North Korea. Instead, North Korea may see this as an opportunity to secure further concessions from the United States through military provocations. And we may witness or watch the launches of these strategic missiles by North Korea soon.

The logic behind a phased approach is that after a first deal to stop the increase of North Korea's nuclear and missile capabilities, we can enter into negotiation with North Korea on the next phase, which will bring genuine progress in denuclearization. But there is no guarantee North Korea will agree to negotiate such a deal, which will actually reduce the nuclear and missile capabilities. Even after the agreement was made in the past, North Korea always rejected to implement its part of the deal when it comes to a stage to affect the fissile material or nuclear weapons it possesses. And this brought every nuclear deal to a failure. If the deal with North Korea stops at the freeze, North Korea will remain as a nuclear arms state with advanced ICBM and SLBM technologies and may act accordingly, challenging the reliability of the United States extended deterrence and threatening the survival of South Korea.

Therefore, I believe that any deal with North Korea, whatever you name it, must be pursued as part of a comprehensive roadmap to the complete denuclearization of North Korea. The roadmap may include the CVID as final goal, clear definition of the denuclearization of North Korea or the Korean Peninsula, reasonable timeline for the completion of the roadmap, robust verification mechanism, and a scheme for permanent peace regime on the Korean Peninsula. But a deal not linked to this roadmap is doomed like many previous agreements with North Korea. Second, sanctions and pressure on North Korea need to be maintained before and during the future negotiations. Sanctions alone cannot solve the problem, but sanctions are the only effective leverage in negotiation with North Korea. If North Korea makes further provocations from now on, additional UN Security Council sanctions and secondary sanctions by United States have to be pursued. Third, China needs to be brought in this picture for diplomacy or sanctions to succeed. It will be extremely difficult, if not impossible, without China's participation. The U.S.-China rivalry may not be helpful for such cooperation, but the United States must actively pursue it as one of a few areas where the two countries can work together. Lastly, deterrence and defense against North Korea's nuclear and missile threats have to be strengthened. Having in mind North Korea becoming a de facto nuclear weapons state, Korea and the United States must come up with effective and practical solutions to increase the reliability of the United States extended deterrence.

Korea-U.S. joint military exercises need to be resuscitated. Korea-U.S.-Japan trilateral security cooperation has to be restored. There are voices calling for the enhanced nuclear deterrence measures, including the possible forward deployment of a limited number of nuclear armaments to be based at seas, in land, or in the U.S. territories; and the creation of an Asian nuclear planning group, which will bring Asian countries, including Korea, into U.S. nuclear planning processes and provide a platform for wargames and exercises. The EDSCG, Extended Deterrence Strategy and Consultation Group, will be a good platform to explore these options and more, as we suggested in our joint report.

To conclude, during the upcoming Korea-U.S. summit, President Moon who is very anxious to improve the relationship with North Korea before the end of his term may push President Biden to engage North Korea at an early date. I hope that the Biden administration start off on the right foot and do not fall into a trap by rushing into the negotiation with North Korea for a half-baked deal. Thank you very much.

FOLLOW-UP COMMENTS

Katrin KATZ

Thank you, Victor, so much. It has been a great honor for me to work with this esteemed commission. And then you know, in drafting the report, it was really an effort of weaving together all the tremendous insights of this group which we have all benefited from hearing from today. I much prefer being in listening mode in these discussions because I learn a lot and today is no exception. But I will kind of touch on a few things that have struck me in just listening today. I think it is very apt that Chairman Chey started out talking about a historical analogy that Dr. Nye is known for bringing to the world's attention. And that is the Kindleberger Trap. Dr. Nye then talked about other analogies of the moment, including 1914 and 1945. Are we in a cold war? Are we trying to avoid an unwanted war? The Kindleberger Trap is one that brings us to the inter-war period. The reason I think it is a good one for this region and for the world is because it calls attention to this notion of public goods – something not to avoid, but something to do, something to make sure, make sure we avoid not offering public goods as was the lesson of the inter-war period. And so, this is another, I think, very powerful framing that this commission...The work of Dr. Nye, as Chairman Chey brought up right away, can really bring to the discussion and focusing attention on – yes, we do have the security challenges that remain, we have new ones having to do with China and the United States. But here is a vision around which not just the two superpowers but as Amb. Ahn Ho-young noted, the regional powers working together with United States can make as a vision one that we can positively work towards that does not evolve the same kind of security dilemmas that other necessary actions in the security dimension involved. Right? So, I think that is another really powerful message that has come up today, has come up in this report that we have benefited from the great insights of these commission members on. And I just wanted to really recap that, which has been my work in this all along. The last word that keeps coming up, which is such an essential one, is trust. And I think the work on public goods together is something that will hopefully build trust – building trust by doing. Which is something, I think, this commission has been focused on – actionable steps that we can work together for. And just lastly, I am hopeful – we are all aware of the challenges and the divides of the world, the region, our countries today, but this commission work has given me hope. The degree of great synergy and overlap in the discussions – not that everyone agreed on every single thing. Of course not, we would hope not. But the degree of synergy and that positivity that comes out of this report

really can be a model for the work of regional actors from the leadership level to the good work of the working level and the senior levels, hopefully thinking of the Biden and Moon teams going into this very important meeting in two weeks. So, thank you again for giving me a chance to speak. And again, it has been a great honor to be a part of this project.

YOON Young-kwan

Thank you very much, Victor. Actually, it was my great honor to participate in this distinguished conference. And I learned a lot. Actually, I do not have any comments to add, in addition to very insightful, points made by previous speakers. And I also had some opportunities to present my humble views on the future of the alliance, North Korean issue, China issue, or something like that. So, I just want to express my sincere gratitude to all of you – Dr. John Hamre, Dr. Victor Cha, Amb. Park In-kook and Chairman Chey Tae-won – for organizing this important conference. I think this gathering through five times of serious and candid discussion could provide some kind of guide or guidepost to both governments at this time of important period of transition, which may be sometimes confusing. So, I think we did our role very well. And I would also like to express my gratitude to Professor Joseph Nye for providing very wise advice to both governments and General Vincent Brooks for excellent points. So, I hope we will have similar opportunities in the future like this, which will strengthen our relationship between two countries and deepen the understanding of the other side through very candid and sincere dialogue. Thank you, Victor.

KIM Sung-han

Hey, thank you, Victor. I sincerely congratulate on the very timely rollout of the report. The report itself is also very timely and very substantive. I have really enjoyed listening to previous speakers. I will be making a couple of points. First of all, Amb. Kim Hong-kyun pointed out the relationship between the so-called a phased approach on one hand and the importance of the sanctions. I totally agree with him in the sense that the sanctions itself is the only means for us to bring North Korea all the way to the final destination of complete denuclearization. I do not disagree on the phased approach itself. But the key issue is what and how – what kind of things would be traded and how the first stage will be structured. We talked about nuclear freeze or ICBM freeze. Okay, that would be fine, but what kind of things can be traded for the first kind of initiative on the part of North Korea? I think a sanctions regime should be protected and maintained if this kind of a regime has collapsed by making concessions to North Korea. I think that will be the final stage of the phased approach. In other words, nuclear freeze will turn out to be the final stage because we will have lost the only means available to us for the sake of bringing North Korea to the final stage of denuclearization. That also means North Korea will not succumb to our pressure until that kind of a first stage of trade is finally structured for their favor – trading nuclear freeze for complete lifting of sanctions. That is my one point. And the second point is – many experts making some constructive comments or

critical comments on the reliability of U.S. nuclear extended deterrence. Then at proper timing, I think we need to discuss how to reframe our nuclear deterrence vis-à-vis North Korea. If possible, we can adopt joint nuclear doctrine vis-à-vis North Korea that includes not just extended nuclear deterrence, but also some additional measures to improve nuclear extended deterrence provided by the United States. We have been talking about many additional measures, including redeployment of tactical nuclear weapons, or nuclear sharing, et cetera, et cetera. So, these combined contents may be worked out through our follow-up discussions. Finally, if you look at the geopolitics, even including geo-economics, the overlap area between BRI of China and the IPS, Indo-Pacific Strategy of the United States – the overlap area is Southeast Asia. We have been talking about the Korean Peninsula and Northeast Asia, but at the same time, we need to pay more attention to this critical area, which is Southeast Asian waters and grounds. United States is undoubtedly the most powerful military state while South Korea is having very close relationships with many of the Southeast Asian countries. So, we need to discuss how our respective advantages can be combined to make this critical region more stable, not to be sandwiched by China and the U.S. So, I ask all of us to explore this kind of additional homework. Thank you.

LEE Jaeseung

Hi, Victor. And once again, I am joining the congratulations of the launching of this report, and I had a great pleasure to go over our discussion a few times in making some early draft of this report. And I have been astonished and I have been enjoying the collective wisdom and collective insight from the participants. And I do believe that we have good discussion on where to go, what we have done, and what we have to do. So, at this moment, we do have a very solid to-do list. But I would like to add that, yes, indeed, we know what to do and probably how to do, but the most important thing is how to raise the temperature of Korea-U.S. alliance. Indeed, we have a good shape now, and we have had the good shape so far, but somehow we need to raise the temperature and make it warmer to implement, to actually do things together. So, my first message is raise the temperature of the alliance – while raising the temperature, while roaring the temperature of the Earth. That was what we have discussed in new frontier agenda. The second point is, we may need more discussion on what kind of multilateral regime and institution will be utilized to achieve these goals. Multilateral institutions may include new institution or existing institution. Quad Plus will be one thing, G7 or G20 would be another, or there might be new multilateral schemes, but oftentimes bilateral relations and multilateral cooperation will complement each other. That will be our next step. And my final point is that I was very happy to see the frontier agendas have actually emerged as a major pillar of future of Korea-U.S. alliance. And I do believe that those frontier agenda would be new locomotives for the next generation alliance. And some agendas do have high level of urgency, and they are quite feasible and visible. So, we can target some low hanging fruits and maybe some early harvest if we can work on. So, I do not want to see our key agendas go in sequence from the deterrence and nuclear missile issues or India. India is very urgent. Well, that should be located at the center, but “we have to

wait until those key issues have been said, and then we will move to new agenda frontier agenda” – I do not believe that would be the right sequence. At this moment we have to process those issues simultaneously. So, Korea-U.S. Alliance has many strengths and we have to pull and we have to play those strings while simultaneously. So those were my comment and message. And once again, it was a great pleasure to work in this great team.

AHN Dukgeun

Thank you very much. Again, let me echo other colleagues’ congratulatory remarks. This morning, we did not have much time to discuss about the economic aspect of Korea-U.S. relationship. But I do not need to emphasize the importance of this economic alliance, especially in the high-tech industry sector. Nowadays we call it a digital industry area. In this sense we are, in a way, concerned about the recent Biden administration’s effort to restructure and overhaul the supply chain of key industry sectors. Unlike other trade negotiations or trade initiatives, this effort is actually arranged directly by the U.S. government towards the key companies. So, in this area, I hope that our governments can have some proper dialogue and communication regarding how to overhaul and restructure this digital supply chain. And that will be the key, the basis for strengthening our economic alliance not just between two countries, actually in this part of the world. Let me stop here.

KIM Jina

Thank you very much. It is also my honor to be part of this effort, and I really enjoyed all listening, all the comments, and insights. My remark is very brief. I believe there should be some efforts to consult each other between the two sides, and this should continue after publishing the commission report, which pointed out areas of mutual interest as well as some disagreement. And I think solving the Korean Peninsula issues can help South Korea to provide more contribution to the Indo-Pacific strategy. So, the key issue for the South Koreans is obviously denuclearization of the Korean Peninsula and during the six-party talks, South Korea’s role was pretty significant in a sense that it could communicate with the U.S. and North Korea. The problem today is South Korea does not have that kind of leverage, but back then, South Korea had a leverage both on the U.S. and North Korea. South Korea sent troops to Iraq, cooperated on USFK base relocation, and also provided humanitarian aid to North Korea and engaged with Pyongyang via economy cooperation, which increased the South Korean influence on North Korea. This helped facilitate all the discussions among many players who have interests in denuclearization. So, I think it is good to discuss how to enlarge South Korea’s role by examining areas of mutual interest. In my opinion, the difference between the Biden administration and previous U.S. governments in their approach to negotiate with North Korea is that this time there is no precondition mentioned, required for resuming a dialogue. However, the trade-off itself, the trade-off between the U.S. and North Korea will be what North Korea is really interested in, and this may include declaring the end of the war to improve relations

and easing sanctions in exchange for opening up the Yongbyon facility. So, in my opinion, whether Biden administration can persuade the U.S. Congress to be flexible on the conditions of easing sanctions and improving relations will be very much critical. So, in order to have a comprehensive approach to North Korea, I think both the U.S. and South Korea should work on details and detailed plans on how to work from here. Thank you very much.

Victor CHA

Thank you, Dr. Kim, for those really excellent points – very insightful with regard to the road going forward with regard to the North Korea issue. So that wraps up our presentations and discussions for the hour with regard to our report and some of the conversations that we had. I think as a number of the commission members said, we hope to have this group stay together for future consultations. And that we hope to be useful to both of our governments in terms of helping to chart the course forward with regard to the relationship. With this, I'd like to turn the floor back over to my colleague, Professor Sohn Jie-ae, who will introduce closing remarks. So, Professor Sohn, over to you.

CLOSING REMARKS

John HAMRE

You know, I hope all of our audience has had an opportunity to listen to the wisdom of the comments that we have heard tonight. I mean, it has been exceptional and it has been exceptional throughout our efforts together. And I just want to say thank you to all of the experts, all of the leaders that participated in this review. You know, every time you bring together a major commission like this, there are always two dimensions to it. One dimension is a sense of hopefulness about what can be, what can become a new dimension. And that is crucial. We have to be thinking in an optimistic way about opportunities that we can create for ourselves and for others in our society and for the rising generation. And there is also a second dimension and that is a dimension of skepticism and reserve. You know, old guys like me tend to think, “well, we have tried that, you know. That is not going to work. We have done that.” And that is very narrow and it is not sufficient to help us envision a future. So, both of these dimensions – an optimism about the future and a realism about where we are – were present in every one of our discussions. And it made for a very strong report and a very strong set of recommendations. What bound us all together was a view that we are on a destiny of mutual dependence for each other and for our respective countries. We are partners for future. And that partnership will be stronger if we can work together, listening to each other and working together. And you will see that throughout this report. I hope that we do not end it at this point. I think there is a good deal more work that needs to be done. We have just uncovered the foundations of what I think would be a new framework for this alliance. And this alliance is, in

my view, central to peace and security in Northeast Asia. So, I want to again say thank you to the Chey Institute for bringing us together, giving us the support that we needed to bring both of our communities into this conversation. Again, my very sincere thanks to Amb. Park In-kook for his leadership and inspiration for this and Victor, to you and your colleagues. Thank you. And let me just turn it back and wish everybody here a very pleasant evening or morning. Victor, back to you.

SOHN Jie-ae

Or to me. We came around and now back to me. Again, thank you very much, Dr. Hamre, for really characterizing the essence of the report and a possible future for the commission. I hope all of you really gained valuable insights into the future of the Korea-U.S. alliance. I know I did. It is truly a very timely discussion as the bilateral relationship heads into what could possibly be a turbulent time. Let's hope we come out on the other end stronger, closer, and as Dr. Joseph Nye aptly pointed out, better. So, on that note, I would like to conclude today's talk. Thank you all for participating and for tuning in. *Kamsahapnida*.

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