

CHEY-CSIS Commission on Northeast Asia and the Korean Peninsula
“New Biden Era and the Korean Peninsula”

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WELCOMING REMARKS

PARK In-kook

Good morning. Professor Joseph Nye, Prime Minister Lee Hong-koo, President Hamre, Secretary Armitage. Welcome to all of you joining us online from the United States and Korea. I would like to thank everyone for watching today’s special webinar co-hosted with CSIS, especially in the immediate wake of president Biden’s inauguration.

Last December, Chey Institute and CSIS have agreed to launch the joint Commission on Northeast Asia and the Korean Peninsula to form a collective wisdom and vision for the future of this region. This Commission focuses on three to four main themes. First, the future of US-China relations under the new Biden administration and its impact on Korean Peninsula; Second, prospects for the North Korean denuclearization and the future of ROK-US alliance; Third, the future of multilateralism in the new Biden era.

With President Biden’s inauguration two days ago, we are expecting a dramatic shift in the geopolitical landscape in this region. As such, today’s session entitled “New Biden Era and the Korean Peninsula” cannot be more timely and urgent in setting the tones for the future we are facing.

This morning, on the Korean side, we have Prof. Chung Jae Ho, who will speak on the future of the US-China relations. Prof. Kim Byung-Yeon will talk about the transformation of North Korean system. Prof. Lee Sook Jong will present on democratic coalitions and multilateralism. Prof. Park Cheol-Hee will take the role of Japan. I have no doubt that the US counterparts will enrich our discourse.

Taking this opportunity, I’d like to raise some points on our key agenda.

First on the US-China relations. In our first public session last December, Prof. Nye suggested “cooperative rivalry” as a description of the new US-China relations. This term may be an oxymoron at first glance. For example, the US and China made a successful Paris agreement during the COP 21 climate change summit five years ago. How can we achieve new joint achievement while the US pursues decoupling with China?

Second, on the prospects for the denuclearization of North Korea. Last October, North Korea unveiled a so-called ‘monster’ missile, which is believed to be an ICBM. And just last week, North Korea demonstrated a SLBM during military parade. While it is classified as a short-range missile, it can potentially sneak into the US coast and pose formidable threat. North

Korea's much more reinforced nuclear capability have certainly narrowed down a range of options for the Biden administration, compared to the Trump or Obama administrations. Under these circumstances, North Korea might go ahead with nuclear or missile provocations if Biden administration does not prioritize North Korean nuclear issues over other global challenges. In such case, how can we secure cooperation from China? President Biden emphasized in his article in Foreign Affairs last April: "With North Korea, I will empower our negotiators and jump-start a sustained, coordinated campaign with our allies and others, including China, to advance our shared objective of a denuclearized North Korea." I think such idea signifies a return to a multilateral format, like Four-Party Talks, rather than bilateral negotiations between the US and North Korea.

Lastly, on the revival of multilateralism. President Biden reaffirmed America's commitment to multilateralism in several occasions. I hope that a great number of issues involving the climate change, non-proliferation of WMD, and democratic coalitions will now be placed forefront in the multilateral agenda.

In this regard, I'd like to refer to the Kindleberger Trap as eloquently articulated by Prof. Nye. It describes the failure by the US in providing global public goods in the 1930s, which eventually led to the Great Depression and even the second World War.

Today, in this sense, I believe the US should take the lead in three areas. First, establishing new norms and standards in scientific innovation. Given the increasing role of China in 5G, artificial intelligence, and space. The US and like-minded countries must establish and enforce new norms and standards in these domains. A related question might be how we could deal with bifurcation issues, especially in 5G and AI technology. Second, ensuring global pandemic frontline, including production of COVID-19 vaccines and global fair distribution of it. Third, prevention of a chain reaction of nuclear proliferation in Northeast Asia and beyond if and when we completely fail to achieve denuclearization of North Korea.

Chey Institute and CSIS are going to issue a joint Commission report based on what has been discussed during these five series of webinars. I believe today's session will provide further enriched food for thought. I should make a full stop here.

Joseph NYE

It's a pleasure to be with you this evening. I want to start by saying this has been a great week in Washington. There is a restoration of a sense of optimism and that's good news, not just for Americans, but for our Korean allies as well. 2020 was a particularly bad year for the United States. We had the pandemic, we had an associated economic collapse, and we had very bitter politics, which culminated with an invasion of the Capitol by disaffected right-wing rioters on January 6. Many people said, well, you know, this is the beginning of the end of American democracy. This shows that things are in terrible shape. I would say that if you attended or watched the inaugural festivities on Wednesday, you would realize how premature that gloomy

prognosis was.

The very symbolism of watching Republicans and Democrats sit together outside the US Capitol and take part in a smooth transition of power has been the habit in our country for over 200 years. That was reaffirming. In addition to that, if you think of the speech or pay attention to the speech that Biden gave – it was all about unity, about the need to work together, to come together. Indeed, I don't think the word Trump was even mentioned in the speech. And in that sense, I think what we saw was a new beginning. It also was a new beginning in the sense that what we heard were promises about the importance of allies and our place in the world. And when the ceremonies were over and Biden went to the White House - his first day in the oval office - among the steps that he took where steps were definitely showing the international inclination so that his administration will take reaffirming the US position in the Paris climate accord, restoring the US participation in the World Health Organization. Indeed, the next step was to send Dr. Anthony Fauci to head the American delegation, dealing with COVID at the World Health Organization.

So, in that sense, I think what we saw was an indication of something that I wrote right after the January 6th events, that America has an extraordinary resilience in our democracy. We have lots of problems as a country, still do, always have. But there's a capacity for self-restoration, self-criticism, and the capacity to restore ourselves. And if one thinks back to the 1960s, when people were marching all around the world, opposing American policies in Vietnam, and then you realize that American soft power was a very low position. But within a decade after the honesty of Gerald Ford, Jimmy Carter, the optimism of Ronald Reagan, our soft power was back. I think we're seeing that happening right now in Washington. I think you're seeing the beginning of that kind of restoration. And this is why I said this was a good week, not just for Americans, but also for Koreans.

South Korea and the United States, as we talked about earlier, are firmly allied – two democracies with a common interest in growth, stability and security in the Korean Peninsula, East Asia, and the world. I think what we're going to see is that if President Biden is able to get the pandemic under control and the economy restarted, and most people are apparently optimistic on both those points, then you're going to see a situation where we can deal with the types of problems that this panel this morning will be talking about. How do we handle the relationships with China, the problems of nuclear weapons in North Korea as well as many others. So, I would argue that this is a good morning for us in America, a good evening for this discussion in Korea. And I would say a new optimism is guiding the way we should look at the next year. So, thank you for listening to me, but I'm glad to have a sense to be optimistic after let's say last year, feeling fairly pessimistic, so onward to our real discussions.

PRESENTATIONS

Richard ARMITAGE

I'm delighted to be part of the discussion. I'm supposed to talk a little bit about Asia and for three to five minutes, and that's all I'll do except for one thing: Joe's opening comments were spot on, and if there's something, there are many things that Mr. Biden said yesterday in his inaugural speech, but he said something that caught my attention. He says the United States should not make an example of our power, but rather focus on the power of our example. And I certainly hope that the United States is getting back to try to be an exemplary citizen of the world and particularly in Asia.

Now I'm not being facetious when I say that part of the task for the Biden administration in Asia is simply showing up. Our Secretary of State couldn't be bothered to go to the ASEAN regional forum that many of the international forums were left to kind of hang on the vine, as far as the United States was concerned. For years, we never had an ambassador in Singapore. How long did it take before we finally got someone to take Mark Lippert's place in Seoul? Australia was a similar story. So, in a very real way, showing up is a way to start showing our interest.

Joe's comments about China – we're talking about cooperation and competition – are dead on. Former Ambassador from China to Australia, Fu Ying, well-known to probably many on this call, calls it "coopertition" – the combination of cooperation and competition. But I think that you'll find that the Biden administration is somewhat constrained on China. And it's somewhat constrained because the constraints of our domestic policy, which is, as we've discussed in the past, shifted so much to be, if not anti-China to be much tougher on China, because the consensus which added for 30 years in the United States, turned out to be wrong.

Right now, China is waiting to see what the Biden administration will do. I don't think the Biden administration will be in a big hurry. I don't think they'll be gratuitous to China and gratuitously rude, but I don't think they're in a huge. As some of the speakers have alluded, we have a lot of domestic work to do before we can again have the power of our example internationally. But obviously China is the elephant in the room, the only developed nation with a positive GDP. But it's not as if China has not gotten her own problems as well.

I have said before in our last session, and I'll say it again, the US-ROK relationship is not in good shape. And the primary reason, I think, has been because our two presidents, President Trump and President Moon Jae-in, did not like each other and everything stemmed from that. So, I think that we can look forward as I think Mark said in our last session to a betterment of relations. And I think it won't take that much on either side to get back to a much more reasonable and much more workable relationship.

Regarding North Korea. I may be a stand-out on this, standing alone. But, you know, in my experience, some problems are just meant to be managed. And we talk about proliferation has to be stopped, but proliferation in North Korea – it's happened. It's done. And I don't think

Kim Jong-un is suicidal. So, I think we have to manage the problem. It's overlooked in diplomacy very often, but that's what we may end up doing with North Korea as long as they don't hurt or harm citizens that are public of Korea, citizens of Japan, citizens of the United States or service people in the United States. And I think that probably managing for a while is the most reasonable thing we can do.

It remains the case that the US-Japan relationship will be the key relationship in Asia. It's a lot of reasons: the size of the economy, the size and professionalism of the military, the fact that for a long-time, Prime Minister Abe was, in a very real way, the leader of the free world, because our president had disdained those activities. That's not going to change. Now, I say showing up is part of the game for the United States. Here again in Japan, we haven't had an ambassador since our president Senator from Tennessee left. We've been working with his charge. This is not the way to show an appropriate attention, I think, to friends and allies.

There are some questions, I think, that have been raised from time to time as to whether the so-called quad Japan, United States, India and Australia will move into a leading position in terms of the forum in Southeast Asia and in Asia in general. I think the quad is important, but it's not going to take the place of other forms that we have, whether it's a SCM or whether it's the R or any other of the four that we have. It's an important addition; welcome the addition of India and welcome the strategic partnership that we have with them and look forward to extending it and making it a bigger part of life of the Indo-Pacific. And I think that terminology will certainly stay in the administration. And then we'll talk about the Indo-Pacific, not just Asia-Pacific any more.

But one last word about Australia – right now, the Australians and Chinese are having a terrible spat with sanctions from China on everything from Yuan to coal and our Australian friends are holding up pretty well, but they realize they can't do this alone. They can't stand up to China alone. They'll talk about it with Korean friends and I'm talking about it with US friends. It's just a fact that the weight and size of China are such that they can't deal with it alone.

I want to close with a comment about China. One time years ago in Vietnam, when I was serving in the military, a Vietnamese counterpart said to me, do you know, or ask me, do you know the shape of our country Vietnam? And I said, well, yes, I do. He said, well, I'm talking North and South. I said, yes, I do know the shape, it resembles kind of an S if you look at it on a map. He said, do you know why that is the case? I said, no. Why is it the case? He said, because of the weight of China pushing us down, we've got to be careful that we resist this weight of China. And we resisted by having other alternatives to the Chinese weight whether they're economic alternatives, security alternative, cultural/educational alternatives. And we can do that, but let's not become an S. So, thank you.

CHUNG Jae Ho

I was watching Mr. Blinken's confirmation hearing on YouTube two days ago. At one point, he says something to the fact that Trump administration's approach to China was correct but that his tactics were wrong. So, I think it says a lot about what is going to come under the Biden administration when it comes down to China policy. And in that respect, I think the outgoing O'Brien and Pottinger did a great service by declassifying the document called US Strategic Framework for the Indo-Pacific, without which the Biden administration's dilemma between reversing Trump and taking the right approach to China must have been more serious. Unfortunately, another document on countering China's economic coercion failed to get declassified, but the United States does have a very interesting document that came out in November called the Elements of the China Challenge, which lays out a very good domestic base from which the US can compete with China.

However, you describe US-China relations, I think the bilateral relationship will only get more tense because it already entails a structural competition and conflicts are taking place across different issue areas actually all fronts. And it involves both hard power and soft power. I think, you know therefore it is very appropriate for President Biden to refer in his inauguration speech to the example of power, as well as power of the example.

A lot of people talk about the room for cooperation between Washington and Beijing. And I do think there is some room for cooperation between Washington and Beijing, but nevertheless, when it comes down to East Asia, I think the room gets quite limited. And particularly when it comes down to the Korean Peninsula, which involves North Korean issues, as well as the ROK-US alliance, these are mostly hot security issues. When it concerns hot security issues, I think the room for cooperation between Washington and Beijing gets very limited. So, Korean Peninsula issues are located in East Asia and involves mostly hard security issues. Therefore, my conclusion is the room for cooperation is very limited.

Let me say two things about the alliance under the new administration. Of course, we know that the alliance was not in a very ideal situation for the last four years but I think it takes two to tango. So, I think both administrations in Seoul and Washington need a new approach to mend the fences. However, I like to point out that in the past usually the concerns about abandonment were inversely correlated with the concerns about entrapment, but in the last four years, I think both were taking place simultaneously. In other words, the conservative segments of the policy elite in Korea were worried about abandonment while the progressive elements of the policy elite were concerned more about entrapment. So, I think we need a really a review as well as a new approach to alliance management.

The final point I want to talk about is in line with what Secretary Armitage referred to. The THAAD-related tribulations sufferings on the part of Korea provided a sort of awakening moment for the alliance and its utility to Korea when the threat is not of military nature. In other words, a third country or China applies the economic sanctions against Korea – what use is the alliance because the US didn't do anything since 2017 regarding the economic sanctions

of the THAAD controversy. When I heard the confirmation hearing, Mr. Blinken said at one point, the first thing that the US wants to do is to show up in Asia. But I hope that when the US does show up in Asia, I hope it doesn't show up empty-handedly. I want the US to come with the will to protect, and we assure because without which I don't think the US will command allegiance as it used to. Why does a document that came out in May last year, as well as the State Department document in July – They all talk about the US willingness to speak for its allies, but I think allies in the region are wondering what that really means? Is it just a rhetoric or will it accompany actions as well? I'll stop there. Thank you.

Wendy CUTLER

Well, thank you very much, Victor, and I'm really honored to be part of this commission with so many luminaries and every time I'm on these panels, I learn more and more so I'm honored to be here. You know, Joe Nye talked about yesterday and what it meant for him, and I couldn't agree more. The optimism was, was just ingrained in everything said yesterday and a need for healing in the United States. But also, yesterday for me was really about looking ahead and what we can accomplish over the next four years. Both domestically fixing our problems at home and rebuilding our competitiveness, but also internationally getting back on the global stage and playing a leadership and constructive role. And this administration is going to find a very different world and a very different Asia than the one that many of them worked on during the Obama-Biden years.

And particularly in in the economic area, we've seen just the increasing role of China quickly turning its economy around and becoming such an important market, not only for imports, but for exports as well. And we've also seen two mega trade deals concluded both RCEP and CPTPP has come into effect now for two years. Two agreements where the US is on the outside. And not only does this mean we're not getting the opportunities from these agreements, but it also suggests to me that there's a growing confidence in Asia, among the countries in Asia, to work together, not to wait for the United States and not to feel lost without the United States, they are. So, we're going to have to earn our roll back. And as we do this, I think working with allies is going to be key because we need to really understand these changes and we need to figure out how we can be the most effective as we re-engage and play an important and constructive role.

And I think in this regard, the economic area really provides a lot of opportunities for the US and Korea to work together, to address global and regional challenges. Now to date, our alliance has an important economic pillar, but for the most part that has been KORUS. The US Korea FTA negotiated over 10 years ago has been in effect for about eight years now and has really defined that pillar of our relationship. But I think we've taken that as far as we can now. And what we need to do is work together and focus on new areas where US, Korea, cooperation and leadership can help to address regional and global challenges. And in that regard, I would like to put five specific areas on the table where I suggest we can work together cooperatively and

bring in other countries to work with us.

The first would be the China challenge that has already been addressed by Richard Armitage and Amb. Park and others. In the economic space. I think there are things we can do here together. It's clear that the current rule book doesn't work for China. The rules have not been updated to address the types of economic and trade practices and the state-led economy that China is pursuing. And I think both in the WTO and through ad-hoc coalitions, the US and Korea can work together along with others. I think we can also coordinate on defensive measures, including export controls and investment restrictions. It doesn't mean we need to have the same policies, but these policies really can't be effective if they are just followed independently by different countries.

And second, I think we need to collectively come together and stand by other allies and partners that are, that have become the target of China's economic attacks here today. I'm talking about Australia. It was Korea a few years ago, who knows who is next, but I think it's important for the international community to say, this is not acceptable and to call China. The whole area of climate change, I think is right for us Korea cooperation. Just yesterday, the United States reentered the Paris agreement. We have now a government it's going to be kind of all hands-on deck, looking how each government agency can address the challenges that are embodied with climate change. And in the trade area. I think there's a lot that can be done here together, both with respect to lowering tariffs on environmentally important products. Also, we can look to see if border adjustment measures are needed and whether certain subsidies, including with respect to fossil fuels should be curved.

Third. I would just like to echo what ambassador park said in the beginning. And that's the whole issue of standard setting and norm setting with respect to new technologies. We should work together to institute and implement digital trade rules, but we should go farther than that. And now's the time for us to be working together to set those standards and norms for new technologies, whether it be AI, whether it be electric vehicles, whether it be the internet of things

Fourth, the world trade organization is in a very difficult position now with a number of its functions, just not operating properly, whether it's negotiating resolving disputes or just it's normal day-to-day business and governance issues. And I think here, you're going to see the United States, re-engaged in a constructive manner in the world trade organization, and the US and Korea can play an important role here. Korea can be an important bridge between developing and developed countries, not only in the world trade organization, but other organizations as well. We can work on issues dealing with non-market economies, with e-commerce and also repairing the dispute settlement system.

And finally, I think the whole area of supply chains is a topic where US-Korea cooperation can move forward. Both the US and Korean companies found themselves kind of flat-footed during the early days of COVID and recognized our over-reliance on China in our supply chains. I think Hyundai was one of the first companies that was immediately struck by the close down

in Wu Han and its inability to secure certain parts for its cars, which led to a production shutdown. And as a result, I think that companies in both countries are looking at their vulnerabilities. There is an interest in both countries of reshoring some of that production, but that cannot happen economy-wide. So, what we should be looking at is developing trusted supply chains with our friends and allies. And again, I think Korea and the US can play an important role here. So, with that, I'm going to conclude again, I think the, the economic area is ripe for US-Korea leadership cooperation. And I hope that some of these concrete suggestions or areas where we can work together to really make a difference in the coming years. Thank you.

KIM Byung-Yeon

I would like to emphasize the importance of internal changes of North Korea led by economic transformation for the future of the Korean peninsula. Why is it so important? First, denuclearization and the economic transformation are complementary.

The sanctions can be regarded as a negative form of economic incentives while economic projects for development as a positive form of such incentives. These are like a pull or push, and we have to use these two economic levers optimally to maximize the possibility of North Korea's being denuclearized. Second, economic transformation contributes to permanent denuclearization. Suppose that North Korea abandons all nuclear weapons and ICBMs, this is great and wonderful, and all the sanctions are lifted accordingly. However, this is not the end of story. If North Korea wants, it can make nuclear weapons and ICBMs possibly much faster using much abundant financial resources and the existing technologies.

I think a permanent denuclearization is possible if North Korean leader understands developing nuclear weapons undermines his popularity and regime legitimacy. Therefore, we have to think carefully how to induce internal changes in North Korea toward that direction. I think that there is an opportunity here. We know that the marketization has been very prevalent in North Korea - more than 70% of North Korea households work at markets. Majority of North Korean households have jobs related to trading, smuggling, etc. These are all related to markets. We find that North Korean support for capitalism increases with the participation in market activities. Trust among the people is affected positively by working at markets. Moreover, the sense of ownership of private property is formed by working at the markets. Simply speaking, North Koreans, their mindsets are in transition from '호모주체' to homo-economicus. If a large number of North Koreans are employed by foreign firms investing in North Korea and international financial organizations are involved for North Korea's economic growth, I think it is very difficult for North Korean leaders to start a new program for nuclear development.

In this regard, I think we should broaden our horizon beyond North Korea being de nuclearized. We need to prepare plans facilitating marketization, opening up and internationalization such as admitting North Korea as a member of international organizations. And include this in a

package for negotiations with North Korea for denuclearization. Without this creative plan for engagement in that regard, I think negotiations for COVID will become more difficult even though it succeeds. I'm afraid it could not be the end of the story.

Mark LIPPERT

I know some of you have heard this before, but I think it's probably worth at the risk of repeating myself outlining what I would call a direction where the US and ROK can go that expands the zones of cooperation in the alliance and modernizes into the 21st century, and essentially makes the alliance more adaptable. And I would argue more relevant to younger constituencies, especially in younger and new generations of which their support is critical, especially when we're talking about an alliance in two democracies. So, I think what is notable is that I would agree with Deputy Secretary Armitage in that the alliance could and should be doing better. That's where we find ourselves today.

The good news on that, the other side of the coin is that despite some very dire predictions made at the outset of the Trump presidency based largely on his rhetoric in 2016, the alliance continues to be resilient in 2020. And here, I would just extend Dr. Nye's very good comments about resiliency, and I would put those in the alliance context as well. There is a certain resilience in the Alliance that has been demonstrated through this four-year period. The defense relationship is providing effective deterrence against an evolving North Korean military challenge, commercial and economic integration increased under a revised Korea-US free trade agreement, medical and scientific exchanges increased in the wake of the coronavirus. And again, one of my favorite areas that I think is incredibly important, people-to-people relationship is closer than ever – Parasite winning the Academy award, a K-pop band BTS and ESPN broadcasting KBO. And again, these are fun things. They are critically important, and they are relevant to people on both sides of the Pacific. So, the more integrated these people to people pieces are, the more scope and flexibility policymakers have to be creative in the alliance.

Having said that to reiterate, there is a powerful argument. The Alliance has not entirely fulfilled its vast potential during the past four years. It could and should be doing more. And I would just go through a couple of points here. Analysts point out that Washington and Seoul have become overly focused on important, but you can argue at times, overly tactical issues, such as defense burden sharing, unilateral trade actions by the United States and machinations or lack thereof associated with a single bilateral working group on North Korea. And as a result, the bilateral relationship resembles what Victor often calls an upside-down pyramid with a disproportionate amount of energy placed on a small set of important, but thorny issues, again, resource allocation, just overly allocated.

And this allocation issue is incredibly important because of the timing, right? The geopolitical and economic issues facing the alliance. As many of the panelists outlined here today, COVID-19, economic rise of China, enduring tensions between Tokyo and Seoul, the challenges to the

rules-based international system standard setting; these issues are growing in strength and complexity. And the landscape demands a high performing global alliance that is deeply involved in these issue sets that will shape a 21st century alliance, as well as a 21st century world. And that's why this is so critical. The good news as Deputy Secretary Armitage alluded to is that there are pieces, there are components lying around that give me optimism that the United States and the Republic of Korea can recapture the initiative. There are ample reasons; the upside-down pyramid can quickly be flipped, right sized and expanded.

First, as everybody mentioned at the outset, there's the election and subsequent inauguration of Joseph R. Biden Jr., as President of the United States. President Biden has made reinvigorating global alliances a critical part of his foreign policy platform. You heard about Secretary-designate Blinken's testimony as well. All of that is really good, I think, important ingredients for optimism.

Moreover, the US presidential election also means that both presidents in Seoul and Washington have deep experience in Europe, US-ROK alliance management. And there is support in respective legislatures for those who support the bilateral relationship. And there has been progress on a diverse policy issues during the last several years from acquisition on military capabilities, energy initiatives, and an extremely talented core of alliance managers in both capitals as well as popular support that I alluded.

So there there're a lot of pieces here, but it's going to take some work. It's going to take work by, as people pointed out, really important effective alliance managers. So, let me get to the end here and say to effectively seize this opportunity, to grab these pieces, to recapture the momentum, officials on both sides of the Pacific should commit to three broad lines of effort.

First, reduce the irritants, find more common ground and effectively manage legitimate disagreements in areas such as burden-sharing, unilateral trade actions and commercial issues across a range of sectors.

Second, aggressively engage in traditional alliance issues such as security and economics, addressing underserved areas while adapting, updating, and modernizing the alliance, thinking, and mechanism to ensure closer alignments on topics such as North Korea policy, trade issues, Indo-Pacific strategies. On trade. Wendy Cutler really outlined some excellent concrete ideas on how to do this. There are others in these other areas as well.

Third, broaden the aperture and cement progress into new frontiers, or I would say newer frontier, such as cyberspace, the 4th industrial revolution, public health, energy, and the environment. These are areas where we have done some good work together. There is deep expertise on both sides of the Pacific in these areas. It is ripe for growth. And I would argue right for hockey stick growth on all of this. And as Dr. Nye pointed out, two of President Biden's first initiatives on day one were in these areas with direct implications to the alliance returning to the WHO and the Paris Accords on climate change. Both areas, public health and climate change, are where we have worked together well. And there are real opportunities for, I think, a bright future.

Finally, let me close here. Decades past, the journey ahead will not be without obstacles. There are points of potential tension moving forward that will require skillful management on both sides of the Pacific. We are going to need to draw on the best possible talent. But what I will say is we have seen a track record of overcoming, adapting well into the future. So, let me close that and let me just add one comment.

I think there's very interesting bucket of economic retaliation. All of that. I think there's an important role for the alliance to play there, but I would also argue virtually every country in the region from Japan to Vietnam, to the Philippines, Australia, even the Canadians were bracing for economic retaliation from the Chinese and the wake of the Huawei extradition issues. This feels very multilateral in scope too. So, I just wanted to add a quick comment there.

LEE Sook Jong

First of all, I like to congratulate the inauguration of the new president, Joe Biden as the 46th president of the United States. Since during his campaign period, Joe Biden talked a lot about democracy. So, there is a very high expectation that he's going to take a leadership again for the global democracy. And especially after violence in Capitol on January 6, I think that there is a very genuine concern from Joe Biden and also many American friends about the status of democracy in USA. I guess this is a very good point for USA and other Asian democracies to expand the cooperation based on true, genuine partnership. In the past, of course, America took the leadership, for example, in year 2000, Madame Albright played a very important role in creating the community with democracies.

And at that time 106 countries signed up and you should remember that the second community of democracy meeting was held in Seoul. And also, today there is a meeting called Democracies-10 (D-10) and there, among the ten, actually it's nine countries plus European union, and from Asia, only South Korea in Japan participate. And of course, there is Australia. So that tells you when Joe Biden is taking a leadership for the global democracy, I think naturally there'll be a lot of programs and space for USA and South Korea can do. Already the Korea was invited by Boris Johnson to G7. And he's interested to make D-10 and of course, South Korea is there. So, I think when America and other Western leaders are talking about democracy, there is a huge room for South Korea to play.

And our discourse on democracy has been more domestically oriented. So, I think it is very good time for South Koreans to think hard on how we can contribute to democracy and good governance in Asia and also in the world. Having said that, however, there are some concerns. It's not only South Korea. It is from Asian democracies as well. When we talk about liberal order, three pillars, right? That is collective security and free trade and democracy. Democracy is very important backbone of liberal order. I think most Asian countries who have benefited from the liberal order had prevailed in Asia as well. However, there is a slight concern - this democracy promotion or these democratic coalitions can be one way of rebalancing China in the Indo-Pacific vision, because everyone is watching how Joe Biden is going to reformulate

the Indo-Pacific vision. And many predict that new government of Joe Biden will also take a very tough policy toward China.

And of course, when you compete with China, this Noam competition is important. So, there is some enthusiasm. And at the same time, there are very cautious attitudes from Asian democracies.

In my mind, I think that there are three layers for Asian democracies can work together with the USA. Number one is the global level, right? So, when we talk about liberal norms and values, naturally United Nations is global venue and space for USA and other European democracies and Asian democracies including South Korea can work together. For example, in UN human rights council, South Korea can play a very bridging role in voting coalitions when there is an attempt to dilute the democratic norms and principles. So that's a very logical venue for forging democratic collisions. That is much easier for Asian democracies because it's a very general framework. It's very universal principle without targeting China.

And secondly, as a regional one. I don't think Asian democracies are interested in just condemning China as a country violating human rights, talking about Hong Kong issues and Taiwan issues. I think many Asian democracies will find their position somewhat awkward and uncomfortable. So, for them, they will be more interested in talking about the issues of how we can prevent China from doing these coercive economic policies. the economy policies. When there's a retaliation, there's nothing we can do, you know, vis-à-vis giant China. So, we are much more interesting how we can govern regional economy democratically, so dissuading China from engaging that kind of coercive diplomacy using their economic influence.

And the third area where Asian democracies can be doing better is using their governmental and non-governmental contribution to development assistance. Japan and South Korea are major donors from the region and the Korean donors and Japanese donors are usually characterized as development oriented, building infrastructure rather than talking about human rights and good governance, but that's the past story. At this stage, we are talking a lot about good governance and these days, for example, KOICA is trying to line up to SDG 16 to make it inclusive institutions and peace. Only problem for these Asian donors, or also Asian democracies, is that the policy has been very much bilateral between donor and recipient countries. So, there was no coordinated actions, policies among Asian donors and also between Asian donors and Western donors. So, let's say, if we coordinate this, you know, our aid to help democracy in the region of the developing countries of the region, I think we can scale up the good governance and human rights issues much better. So, I think there are a lot of things we can do, the South Koreans can do with the American friends.

PARK Cheol-Hee

I'm very happy to be a part of this important commission. Many expect me to talk about Japan but I'm going to talk about the importance of the bilateral alliance between the United States

and Korea. It's in three intrinsic values, and I'm going to talk about the importance of connection, connecting Korea in Japan. As we all know, under the Trump administration, President Trump regarded the alliance between us as very transactional, and he sometimes put the alliance issue on the table of North Korean negotiations so it can be traded. So, in that sense, I think I'm happy to see president Biden coming up as a president that keeps much more importance on the alliance itself, and taking a leadership role in strengthening the alliance network.

At the same time president Trump did not show that much interest in linking the US allies in the region, even though Korea and Japan have been very important allies to the United States for a long time. And Korea and Japan entered into kind of a very conflictive relationship for several years. President Trump didn't show any serious interest in fixing or in facilitating dialogue between the two allied partners. In that sense, I think president Biden will definitely show a better relationship between Korea and Japan. Having said that, I wanted to raise three points related to the alliance ties between us.

First of all, I think some people in the United States and some in other countries including Korea think that the US Korean alliance is an outer extension of the US-Japan alliance. Sometimes you think of it as kind of a hierarchical relationship, thinking of the US-Japan relationship as primary and the US-Korea relationship as a subsidiary partnership. But actually, as we all know, the US-ROK security alliance is the linchpin in defending the West Pacific and the whole region. Korea is not located at the periphery of the alliance network, it is just on the frontline of the alliance relationship. And without South Korea, defending Japan is very difficult. Without Japan, defending South Korea is very difficult. Also, without South Korea and Japan altogether, defending the Western Pacific and the whole Indo-Pacific is very, very difficult. In that sense, I think Korea and Japan should be regarded as a kind of integrated whole, rather than separable two. And then we should be reminded that Korea and Japan are very interdependent allies. Many are forgetting that important fact, and just try to think of it in binary mode. So, I think we have to overcome that kind of misconception.

Second, I've been looking at Japan issues for a long time and then Korean issues at the same time, and I come to realize that the US-ROK alliance goes much deeper than the US-Japan alliance, in a sense. Of course, if you look at only the military security alliance, and whether they can cover the wider area of the region, many people give much more score to the US-Japan alliance, but if I look at the nature of the alliance between Korea and the United States, it's deeply integrated and truly in a comprehensive alliance. Just by checking a few data I've come to realize that in 2019, 77,271 students took GLE only after the United States, China and India. Also, in 2019, South Korea sent 84,071 students to the United States only after China and India. But if you look at this number in proportion to the size of population, South Korea is sending the biggest number of students to the United States. I checked the four-year college professors, and among the professors who got their degree in overseas, including any country, that 66.9% of the professors teaching at four-year colleges got their PhDs in the United States. As Victor said, I am here. I am also Columbia mafia; Jae Ho Chung is from Michigan. So, if

you look at the higher education, there are ties that are running very deep. I checked the religious belief among the people who declared their religion. 40 to 45% of Koreans are processed Protestants, and 18% are Roman Catholic. Even the religious ties go very deep. So, our ties, it's not just security, economy, and trade. It goes much deeper into a social-cultural level. So, I think these kinds of ties should be cherished very seriously, and I think it should be developed in the future at the same time.

My third point is that I think Prof. Joe Nye suggested this in the previous session that South Korea represents a very global showcase or very successful model of our alliance partnership. No other country has been so successful in achieving the level of democratic governance and open market economy among the US alliance partnerships. I just say that many of us friends were called and invited, but few countries were so successful like South Korea. I think North Korea is a kind of teacher on the other hand, because North Korea still remains closed, under-developed, and authoritarian. So North Korea is a total outlier. I think is North Korea was within the network of the alliance partnership with South Korea, possibly under the unified Korea, I think North Korea could have been performing much better. So, I think in that connection, I think the relationship between Korea and Japan should be regarded much more seriously, and cooperation between Korea and Japan should be promoted much more. I think it's a job of South Korean and Japanese leaders to overcome and go beyond history. But I hope under the Biden administration, United States plays a role of facilitating cooperation between Korea and Japan. So that both countries have a very good example of democratic governance and market economy. I'll stop there. Thank you.

DISCUSSION

Ahn Ho Young

Last week, earlier this month, there was a very important meeting taking place in Pyongyang and nobody has ever mentioned even once about that important meeting in Pyongyang, which I think is very impressive. There was the eighth party Congress taking place in Pyongyang, and it lasted no less than eight days and not a single person has mentioned about the meeting. And then I think there will be quite a deep disappointment so far as North Korea is concerned, but I was watching it very closely. And then I was really, really struck by one thing, which was how somber the overall tone of the meeting was. Very dark and very somber. And I was just trying to compare that with the overall tone of the seventh party Congress, which happened five years ago.

And I said to myself – ‘what explains this stark contrast in the overall atmosphere of the party Congress?’ And I said to myself, we must go back to 2013 when North Korea declared something called 병진 policy, that is to say simultaneous pursuit of nuclear development and economic development. And that was in 2013 when North Korea declared that policy. In 2016,

I think North Korea thought in fact it was on a good path to be doing both. That is to say, 병진 policy- developing nuclear weapons and economic development. In that party meeting, seventh party Congress, they called it shining blueprint for the economic development of North Korea. And by by this year, North Korea came to find it was not going to be. So I think there is a very important lesson we should be learning, which is, North Korea realizes it is not going to have both of them - 'eat the cake' and 'have it' as well.

I mean, if it develops nuclear weapons, then it comes at it with a very heavy cost to North Korea. I think that explains this dark and somber tone of eighth party Congress. And I think it must serves as a lesson that in fact economic sanction works.

That leads me to my second point, which is in a sense a kind of question I should be addressing to Amb. Armitage. Amb. Armitage has already said that he, in fact, maybe a standing alone so far as this question is concerned. He said that proliferation has probably already happened. Amb. Armitage, I have to tell you. I've been meeting you so many times during my services ambassador in Washington, DC. And then I agree with almost everything that we discussed between us, but when it comes to that, I have to differ with you.

And then I, I was telling myself, well, Amb. Armitage may be able to say that while he's in Washington DC, but for me, when I'm in Seoul, I don't think I can agree with you on their point. And then I have to remind you that economic sanction works. So let us go for the best rather than the second best.

Kathleen STEPHENS

That was such a comprehensive discussion. There's a lot of things I'd like to underscore and ask about, let me limit it very briefly to two. One is I really do appreciate the emphasis that several speakers have made on our shared values. We say that it's just kind of a cliché, but I think we're all aware of the importance of democratic values. One thing that has not been mentioned, it's kind of a question -observation, a kind of suggestion for the Biden administration to pay attention to.

Seoul has elections coming up too - mayoral elections of the two largest cities this year, presidential election next year. We tend to forget that sometimes that they have their politics too and democracy, and I think that's something we need to pay attention to going forward.

My second point is of all the various areas where we can work together, and I agree that, you know, Seoul has got to bring something to the table and the US has got to bring something to the table when it comes to a reassurance to reinforcing the Alliance. I would just underscore that again this week where there has been some news over 400,000 Americans died from the COVID-19 virus, the latest unemployment figures of people applying for new unemployment benefits is 900,000 in the US. The Biden administration will be so focused on what is going on here. Of all this list, I think there's a lot we can do together. I would really emphasize a global

health/public health. I had a Korean friend who said to me the other day - how can the U S ensure public health without a public health system? I think that was a little bit rough, but we have certainly seen the holes in it. And I think that's a place where again really concentrated work can take place and I would make that a priority.

KIM Sung-han

I already uploaded my first comment on the importance of values. But my point is we need to strike a balance between values and geo-strategy. Otherwise we are very likely to lose our Southeast Asian friends which is strategically very important in terms of US-China strategic competition. Another point is already emphasized by Dr. Chung Jae Ho and some other people, I think, I call it economic extended deterrence when it comes to the importance of Alliance or to deal with non-military threats.

I think we need to think about how we can come up with some specific measures to deal with them. I call it, you know, economic extended deterrence or economic umbrella, like we call nuclear umbrella or nuclear deterrence. Otherwise the extension of the US-led alliances to kind of a United front to deal with the Chinese threats is going to be very difficult.

Michael GREEN

I think that Blinken, Jake, Kurt Campbell would appreciate everything that has been said in this discussion. I think they take alliance very seriously. They have all worked on Korea and all the recommendations would resonate. But we're used to talking to other people who know about Korea, know about the alliance, know about Asia. And I think we have to keep in mind that at higher levels of government the agenda Joe Biden faces is just massive - climate change, the pandemic, economic recovery, Russian interference, domestic terrorism in the United States, which he mentioned in his inauguration. And so my one comment would be how can Korea and those of us who care about the US-Korea Alliance penetrate that thick agenda to make sure that our partnership is the pivot, the linchpin for us moving forward?

And I was there Victor when 김대중 first met president Bush and Richard will remember this. He had a good agenda, but frankly, he played it very badly. He went in against the advice of some of his diplomats and friends, and he pushed president Bush to prioritize a summit with North Korea. And frankly, it has set back the U S - Korea Alliance and our North Korea policy six months rear, I would say, because of that bad initial impression.

And eventually, and I was there president Bush and Kim developed quite a good relationship. 이명박 on the other hand with Obama - I think the Obama team came in without any particular agenda for US-Korea Alliance, but 이명박 met Obama and absolutely captured his imagination with the vision of Korea could be part of so many issues, a partner on so many

issues that Obama cared about - nuclear summit and democracy and so forth.

So, I think the practical implications of what we're talking about is, well, I hope the Blue House does not go in and prioritize a summit with North Korea or a big dramatic policy with North Korea, because I don't think the Biden administration is prepared to do that.

And I hope they come in and say, Korea is going to be your partner on democracy. The way that Sook Jong Lee said, we're going to be your partner on the pandemic. We're going to be your partner on China, not by opposing China, but by using all the tools we have with KOICA and 외교부 and Korean business to make Asia more resilient. That is how you stop Chinese expansion by investing in Asia. So, I hope that's how the Blue House pitches these wonderful ideas to get through the very, very heavy agenda and complicated agenda this new administration faces.

AHN Dukgeun

I cannot agree more with Wendy's excellent proposal in terms of Korea-US economic partnership. Just one point. President Biden declared that he will not pursue any trade negotiation until they can settle the domestic economy recovering. But in fact, to promote domestic recovery, it is very, very important to have the trade relationship with strategic economic partners. So, in that regard, I believe Korea and US can play a very important role to rebuild the trade relationship, especially among the strategic partners with the digital trade and the main issue to settle to the China problems.

So, I hope that the Korea and US can further the cooperation in this regard. Actually, this will be probably the area to strengthen the tie between Korea and Us. In the previous the government, the nuclear issue has been the pivotal tool to communicate between two presidents, not necessarily the government. But this time the trade relationship will become, I believe, the important instrument to restructure our relationship.

CLOSING REMARKS

LEE Hong-koo

Thank you. I watched television early this morning. I think two o'clock, to listen to president Biden and looked very good because there are many people around the world who was somewhat concerned about the health of American democracy. I think Koreans are really worried about the health of American democracy because we depend so much on US in many ways, but most of all, democratic institutions and democratic politics. At least with the inauguration of Joe Biden, you have shown once again, the US has sufficient reserve of power to maintain really well-functioning democracy without any apology. So, congratulations.

I sometimes think that the first Cold War, not the first world war, but Cold War between then Soviet Union and the United States had more or less come to an end with a very positive sign. We look back particularly to the year 1988 because that's the year of Seoul Olympics. And in December, 1987, we had a first really free election in almost three decades and produced a really democratic government in 1988 and hosted the Olympic game, which was attended by nearly all the countries unlike divided Olympics in Los Angeles and Moscow. So, we were quite happy, but more than that, the following couple of years, we had a tremendous development, both in Germany and Korea – two divided countries. Germany, within two years, achieved the unification in 1990. We haven't made that much, but nevertheless, in South Korea, all the parties have agreed to a single unification formula, which we proposed as a Republic of Korea's proposal for the Unification.

I don't go into the details, but what I'm trying to say is that the first Cold War between USSR and the US had ended and made a transition to the next stage very successfully. On the other hand, I'm afraid the US-China relations, which had a very positive progress as well in those decades, particularly a rather dramatic diplomatic success. For example, between Henry Kissinger and Zhou Enlai had produced a really a remarkable progress. But looking back last few decades, I have come to a conclusion that Americans didn't push the interest of democracy sufficiently in those periods toward China.

For example, the US didn't really push China very hard to allow China to become a major, super power. You will have a price to pay to become a super power. United nations, for example, to become a superpower and permanent member of the security council in UN, you will have a special responsibility for world peace. Therefore, for example, you will have to do more than your share in keeping such important global items, for example, a climate issue. And another one is how to keep world from nuclear threat. That's why the NPT is important, but China failed in this part in keeping the global peace, because it allowed North Korea to become an exemption or exempting in North Korea from NPT requirement. Why? I don't know, but one of the reasons is, in retrospect, the United States did not push hard enough China who insisted to make North Korea on the exemption to NPT.

US may have to allow other North East Asian countries like South Korea and Japan not bound by NPT. This type of hard bargaining didn't take place. So now coming to the new Biden administration, what I'm hoping for is that US and its allies like Japan and Korea have to advance a new diplomatic offensive, so to speak, to make China a responsible great power in Asia. In some sense, like Soviet Union. Soviet Union worked together to keep peace in European continent, but China doesn't show that much eagerness to follow that example. So, we have much work to do. Thank you very much.

John HAMRE

I'm going to say, before I offer my concluding remarks, I'm going to offer just a commentary about the health of American democracy. Now you can edit that out. I mean, our colleagues

can edit that out if it isn't relevant for the conversation today, but I just feel it's important to put some perspective on this. Yes, it was absolutely shocking to see radical people, terrorists, domestic terrorists invade the Capitol building, and it was shocking that the president of the United States encouraged them to do it. So, there is no question that this was a traumatic event in American history, but if we step back and look at the last two months as president Trump was pursuing this un-democratic approach, there was evidence of a very strong democracy.

The judicial system was tested 80 times - 80 lawsuits were brought forward to the courts across the country. And in every one of those instances, the judiciary was strong. The judiciary ruled honestly and objectively, they said it has to be about real facts. They threw out all of these spurious cases. The judiciary, including judges that were appointed by president Trump, proved that rule of law is strong in America. The second thing I would say is that, American democracy shares sovereignty between the federal government and our state governments, provincial governments. One of the sovereign responsibilities that falls entirely to the state's government is to conduct elections and to hold elections and the most intense scrutiny ever in modern history of the electoral process in every state was conducted this year, because it was challenged everywhere. And what we found was states conducted honest and fair elections.

If anything, democracy was strengthened by these challenges by president Trump. So, the foundation of American democracy is very strong. Where's it weak? It's weak in the Congress. And it is because, you know, President Trump had captured much of the Republican party and the Republican party really stopped being a traditional conservative party. And I think that's now going to be a process of rectification. It is going to take some time, but I would say to my American friends, and certainly to my Korean friends, democracy in America is strong. You have to look at it in a somewhat different way. And I believe that these events are going to prove a strengthening of democracy in America. So that was one thing I wanted to say about events here recently.

There have been excellent comments made by all of the speakers today. I couldn't possibly improve on the quality of their insights. What I would like to say is that, I think there is a tendency for all of us to be looking at the immediate issues in front of us. We're looking at the issues that are active on a day to day basis. But when I first had a conversation with Amb. Park In-kook about this effort, we talked about needing a new consensus for the next 30 years to guide American-Korean relations, not just what should we do about the next year, or what should we do about the next two years? We need a foundation that will sustain this crucial Alliance for the next 30 years. And I think that means we need to step back from the immediacy - how do we get President Biden to do this or how do we get an opportunity for President Moon and President Biden to get together to talk about. I think we have to have a foundation that will guide us for the next 30 years of our shared history. We are going to be working together. Each of us carrying flags of democracy and freedom and free enterprise and opportunity, liberty. We're both going to be carrying flags that promote that.

And we need to have a framework that we know will guide us and support this mutual partnership for the next 30 years. I think that means stepping back and reflecting on the larger

fundamental forces that we're both going to have to deal with. Korea is obviously going to be preoccupied by the North because of the division of Korea remains a festering wound, but it isn't the foundational challenge that faces the 11th largest economy in the world.

We need to be working together on these larger issues. How do we ensure a stronger, more free and open Indo-Pacific economy and with a stable security environment? How do we do that together? How do we ensure that, that the flag of democracy flies freely as far as possible throughout Asia, these are going to be the challenges that we work on together. And so, I would ask as we continue this journey together on this, both this project that we're doing with the Chey Institute, and also between our two countries that we transcend the immediacy of the issues that we obviously are focused on, and look to develop a framework that we know will guide us and guide the directions for the next 30 years. So, Victor, thank you for giving me a chance to offer a few concluding remarks.

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