



Executive Summary

In Search of a Durable Strategy to Guide ROK-US Relations

Special Lecture by Dr. John Hamre, President of CSIS

The following publication is based on the special lecture titled 'In Search of a Durable Strategy to Guide ROK-US Relations' given by Dr. John Hamre, President of the Center for Strategic and International Studies (CSIS), on September 24th 2019, at the Korea Foundation for Advanced Studies Conference Hall.

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This report was prepared by Program Manager John J. Lee, Chey Institute for Advanced Studies.

About the Speaker

John Hamre was elected president and CEO of CSIS in January 2000. Before joining CSIS, he served as the 26th U.S. deputy secretary of defense. Prior to holding that post, he was the undersecretary of defense (comptroller) from 1993 to 1997. As comptroller, Dr. Hamre was the principal assistant to the secretary of defense for the preparation, presentation, and execution of the defense budget and management improvement programs. In 2007, Secretary of Defense Robert Gates appointed Dr. Hamre to serve as chairman of the Defense Policy Board, and he served in that capacity for four secretaries of defense.

Before serving in the Department of Defense, Dr. Hamre worked for 10 years as a professional staff member of the Senate Armed Services Committee. During that time, he was primarily responsible for the oversight and evaluation of procurement, research, and development programs, defense budget issues, and relations with the Senate Appropriations Committee. From 1978 to 1984, Dr. Hamre served in the Congressional Budget Office, where he became its deputy assistant director for national security and international affairs. In that position, he oversaw analysis and other support for committees in both the House of Representatives and the Senate.

Dr. Hamre received his Ph.D., with distinction, in 1978 from the School of Advanced International Studies at Johns Hopkins University in Washington, D.C., where his studies focused on international politics and economics and U.S. foreign policy. In 1972, he received his B.A., with high distinction, from Augustana College in Sioux Falls, South Dakota, emphasizing political science and economics. The following year he studied as a Rockefeller fellow at the Harvard Divinity School in Cambridge, Massachusetts.

Scott Kennedy is Senior Adviser and Trustee Chair in Chinese Business and Economics at the Center for Strategic & International Studies (CSIS). A leading authority on Chinese economic policy, Kennedy has been traveling to China for over 30 years. His specific areas of expertise include industrial policy, technology innovation, business lobbying, US-China commercial relations, and global governance. From 2000 to 2014, Kennedy was a professor at Indiana University, where he created the Research Center for Chinese Politics & Business and was the founding academic director of IU's China Office.

Prof. Kennedy received his Ph.D. in political science from George Washington University, his M.A. in China Studies from Johns Hopkins-SAIS, and his B.A. from the University of Virginia.

Special Lecture

Dr. John Hamre began the special lecture by pointing out the remarkable transformation that Korea has successfully undertaken since the Korean War. At the same time, he expressed concerns about the uncertain future that Korea and its alliance with the United States face today. He raised two questions that he considered paramount to the alliance. First, what is the future of the security environment in Northeast Asia? Second, what is the relationship and the role of Korea and the United States, and what kind of a role will the partnership play in that future?

Dr. Hamre addressed these questions by first examining how the United States views Korea. He argued that many Americans think about South Korea in terms of North Korea. They also believe that American troops can be withdrawn from the Korean Peninsula as soon as the United States has a peace agreement with North Korea. According to Dr. Hamre, this sentiment is based on a completely flawed analysis. He stressed that the United States first came to Korea to maintain an area that shares the same values that America holds dear, including freedom, democracy, and free enterprise. It is the same reason why Dr. Hamre believed that South Korea remains critical to American interests.

Furthermore, he argued that the U.S. remained in Korea not because of the threat posed by North Korea but because of concerns stemming from a rising China. Today, the United States remains on the Korean Peninsula not to defend Korea but to defend America and its interests. For this reason, Dr. Hamre reasoned that a strong and democratic Korea is vital for America's security and economic wellbeing. Unfortunately, Dr. Hamre observed that many Americans don't seem to feel this way about Korea.

This general sentiment has been exacerbated by President Donald Trump's ambivalent attitude towards North Korea's short-range missile tests. Dr. Hamre stressed that the United States must take these missile tests seriously because they threaten the security of its allies. This is not to downplay the importance of an engagement strategy towards the North. Dr. Hamre argued that the peace engagement is important because it keeps the possibility of a unified Korean Peninsula alive. The U.S. wants to see a unified Korea so that Korea could be the strongest version of itself. This, in turn, will help serve American interests in the region. Within that context, Dr. Hamre was critical towards the American request for Korea to pay five billion

dollars in exchange for maintaining American troops. Once again, he argued that the current U.S. administration's policy is based on a fundamentally erroneous understanding of why the United States maintains its presence in the region.

Dr. Hamre observed that China's recent actions, including its island-building in the South China Sea as well as its rude behaviors toward neighbors, prove that it is becoming a much more aggressive hegemon trying to counter the current international order. He speculated that this recent posture by China is indicative of the characteristic of a new security era, which is forcing the world into two camps: a camp championing freedom, liberty, and free enterprise versus a camp defending authoritarian state capitalism. However, he also stated that it is not the United States' goal to contain China. He judged that containing China is an impossible task. Rather, Dr. Hamre emphasized the importance of developing a much more sophisticated strategy to protect American interests.

In conclusion, Dr. Hamre stressed once again that the future of the ROK-US alliance is more important than any other issue that we face due to its strategic implications. He argued that the future of freedom in all of Asia will hinge upon Korea's success moving forward. This is why the United States cannot walk away from the Korean Peninsula. In that context, he urged both Korea and the United States as well as the Chey Institute for Advanced Studies and CSIS to work together towards a brighter future.

Discussion Session

The discussion session was moderated by Professor LEE Sook Jong, professor at Sungkyunkwan University, and invited Dr. Scott KENNEDY, Senior Adviser and Trustee Chair in Chinese Business and Economics at CSIS, as the discussant.

Dr. Kennedy first delivered a short presentation titled “The US-ROK Alliance and the Complex China Challenge.” He observed that perceptions toward China have changed since Korea established diplomatic relations in 1992. While the two economies are much more integrated today than ever before, there are greater concerns when compared to 1992. From the American perspective, managing China will not be easy for a variety of reasons, which include U.S. domestic politics, economics, national security, and diverging values. An example of this challenge comes in the form of Made in China 2025, which outlines China’s effort to use state-led capitalism to push China up in every area of advanced technologies. Another example can be found in Chinese approach to risk management in international finance. According to a Chinese credit rating company called Dagong, authoritarian states are systematically rated higher than democracies. In a China-led world, this type of credit rating would cost democracies billions of dollars every year.

Table 1. U.S. Approach to China

		Posture toward China	
		Cooperation	Conflict
Tactical Approach	Patience & Institutions	Engagement (patient integration)	Challenge (ideological competition)
	Impatience & Unilateralism	Management (co-existence)	Confrontation (decouple and contain)

Due to the complexity of US-China relations, Dr. Kennedy provided a matrix of the United States’ approach toward China. Based on this matrix, Dr. Kennedy observed that President Trump’s approach has moved U.S. policy toward China from engagement to confrontation. If the U.S. were to go back, he deduced that its policy will most likely resemble that of challenge, an approach that focuses on patience and institutions while engaging in an ideological competition with China.

In conclusion, Dr. Kennedy identified the most critical questions that the U.S. must address. First, is confrontation with China inevitable or can we go back to cooperation? Second, what conditions can the United States and its alliance management put in front of China? Lastly, what is the prospect of China moving in that direction? According to Dr. Kennedy, these questions are critical because of the great downside to conflict. For example, a conflict would risk America's existing economic integration with China and jeopardize future opportunities. Also, the United States could use Chinese help to solve security issues, including North Korea. He emphasized that decoupling will not lead to greater security for the United States.

During the discussion session, Professor Lee asked about the possibility of the United States easing sanctions against North Korea without the latter's full commitment to denuclearization. In response, Dr. Hamre stressed the unpredictable nature of the Trump presidency. However, he argued that if President Trump were to unilaterally lift sanctions, there would be resistance within Congress, including members of the Republican party. He also expressed concerns that President Trump might withdraw American troops from the Korean Peninsula. He believed that the \$5 billion invoice to the Korean government was the first step toward that goal. He reiterated that U.S. forces are stationed in Korea not because of North Korea, but because of China. In terms of the way forward, he agreed with U.S. Special Representative for North Korea Stephen Biegun's step-by-step approach in bringing about change in North Korea. However, he stressed that Biegun's approach must not begin with sanctions-lifting, but with North Korea making the effort to earn economic relief.

As a follow-up question, Professor Lee asked how the United States is interpreting the Korean public's deteriorating views on China. Dr. Kennedy pointed out that America's views on China have also undergone a significant shift. U.S. favorability of China is at an all-time low. He argued that much of this sentiment is based on the desire of American companies to operate in a fair and transparent market where intellectual property rights are protected based on the rule of law. Unfortunately, China has gone about competition in a different direction. He concluded that the choice for Korea, or for any other country, is not between the United States and China. Rather, it is a choice between an international liberal order and an illiberal order.

Dr. Hamre added that some Americans do not favor the current Korean government because it is not anti-China. However, he argued that no country in the region can afford to be anti-China.

This is because we are not operating in a Cold War environment. In that sense, he stressed the importance of self-improvements to better compete in the open market. He also urged the U.S. to fix itself so that it is more competitive against China.

In response, Professor Lee identified difficulties in convincing developing countries to see the value of fair and transparent market competition, especially when China is providing massive foreign aid without requiring much in return. Dr. Kennedy argued that this is not an unachievable task because there is a great track record of Chinese loans creating debt traps for these developing countries. China is not efficient in investment both at home and abroad, and countries that want to develop in a constructive manner cannot do so while following the Chinese model.

Another question asked why the United States has failed to intervene in Korea-Japan relations. Dr. Hamre agreed with Professor Lee that the United States cannot survive without its alliances with Korea and Japan. He reasoned that a lack of strategic thinking is at fault for the United States mishandling of Korea-Japan relations. At the same time, Dr. Kennedy said that the United States cannot provide the ultimate solution to reconciliation. That will have to come between the two involved nations.

The last question was about the US-China trade competition and how it will evolve in the near future. Dr. Hamre described how American sentiments have changed over the past five years. The prevailing view had been that China was on a path toward convergence with the Western world. However, the popular view now is that China is an aggressive and possibly malevolent competitor. Dr. Kennedy agreed with Dr. Hamre and added that this turnabout occurred with the inauguration of President XI Jinping, who urged greater role for the Communist Party in state affairs and greater domestic control. Referring back to his matrix, Dr. Kennedy urged that the U.S. must figure out a way to get back to cooperation. This can happen by making China see that economic integration is not a death sentence for the Communist Party. The United States providing reassurance that economic integration is in Chinese interest will go a long way in achieving this goal. However, Dr. Kennedy expressed doubt this could take place during this administration due to Chinese skepticisms of President Trump.