



THE U.S.-KOREA PARTNERSHIP AMID 21ST CENTURY CHALLENGES

Korea Foundation-Asia Society Policy Institute's Future
Strategy Forum: Understanding Korea as a Global Pivotal State

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KOREA FOUNDATION-ASIA SOCIETY
POLICY INSTITUTE'S FUTURE STRATEGY
FORUM: UNDERSTANDING KOREA AS A
GLOBAL PIVOTAL STATE

A TRANSCRIPTION FROM THE ASIA SOCIETY POLICY INSTITUTE



With a solution-oriented mandate, the Asia Society Policy Institute (ASPI) tackles major policy challenges confronting the Asia-Pacific in security, prosperity, sustainability, and the development of common norms and values for the region. The Asia Society Policy Institute is a think- and do-tank designed to bring forth policy ideas that incorporate the best thinking from top experts in Asia and to work with policymakers to integrate these ideas and put them into practice.

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CONTENTS

AGENDA	4
INTRODUCTORY REMARKS	6
KEYNOTE ADDRESS	9
PANEL I KOREA'S SECURITY	11
PANEL II KOREA'S ROLE IN TECHNOLOGY AND TRADE	26

AGENDA

June 12th, 2023

4:00 – 4:30 p.m.

Introductory Welcoming Remarks

KIM Gheewhan, President, Korea Foundation

Ernie Thrasher, Global Trustee, Asia Society; CEO & Chief Marketing Officer, Xcoal Energy & Resources

Keynote Address (Virtual)

PARK Jin, Foreign Minister, Republic of Korea

4:30 - 5:30 p.m.

First Public Panel Discussion | Korea's Security

The U.S.-Republic of Korea alliance stands poised to meet 21st century challenges on the basis of shared values and shared threat perceptions. President Yoon Suk Yeol's State Visit produced the Washington Declaration, which reinforces the enduring partnership and deepening commitment to shared strategic interests and values; and the Nuclear Consultative Group, to strengthen deterrence against nuclear and other threats. Join our discussion to explore how these mechanisms will shape the regional and global security environment, and the opportunities and challenges ahead for the alliance as Korea looks to cement its role as a Global Pivotal State.

AHN Ho-Young, Former Ambassador of the Republic of Korea to the United States

HAN Suk-Hee, President, Institute for National Security Strategy; Professor, Yonsei University

Allison Hooker, Senior Vice President, American Global Strategies

Sue Mi Terry, Director of the Asia Program and the Hyundai Motor-Korea Foundation Center for Korean History and Public Policy, Wilson Center

Daniel Russel, Vice President for International Security and Diplomacy, Asia Society Policy Institute (Moderator)

5:45 - 6:45 p.m.

Second Public Panel Discussion | Korea's Tech and Trade

Through practical and policy collaboration, the United States and South Korea are seeking to better safeguard critical infrastructure, protect intellectual property and mitigate cyber threats. Join us for a discussion to unpack how the U.S., South Korea, and like-minded partners can navigate the shifting dynamics of international tech competition, while ensuring supply chain security and resiliency. This discussion will cover China's role in driving changes in the global high-tech industry, how the U.S. and South Korea are responding, and how the two countries can seize opportunities together in STEM education and cutting-edge tech developments.

LEE Jaemin, Professor of Law, Seoul National University School of Law

Edlyn Levine, Chief Science Officer and Co-Founder, America's Frontier Fund

SON Ji-Won, Director-General, Technology Policy Research Institute, Korea Institute of Science and Technology

SON Sang Soo, Vice President, SK Hynix

LEE Chung Min, Senior Fellow, Carnegie Endowment for International Peace; Professor, Institute of Security Convergence, KAIST (Moderator)

6:45 - 7:30 p.m.

Post-Event Public Reception

Attendees from the public program are encouraged to stay and join us for a public reception, which will include refreshments. Invitees to the private dinner are encouraged to arrive early and socialize with guests from the evening programs.

INTRODUCTORY REMARKS

(as delivered)

KIM Gheewhan: Good afternoon ladies and gentleman. I'm Gheewhan Kim, President of Korea Foundation. It is a real honor and pleasure to co-host a KF-ASPI Future Strategy Forum today. This is my first trip back to New York City in five years to see my old friends and colleagues I used to work with as Consul General in New York. I want to offer my sincere greetings to everyone here and my special thanks to Vice President Daniel Russel and Vice President Wendy Cutler. She, she's not present, unfortunately, today. The staff of Asia Society Policy Institute (ASPI) for their excellent preparation of this timely forum.

This is Korea Foundation's third forum with this year with U.S. think tanks that takes place to commemorate the 70th anniversary of the Korea-U.S. alliance after April's Korea Security Summit with Harvard Belfer Center, and February's Economic Security Forum with CSIS (Center for Strategic and International Studies) in Washington, D.C. In the meantime, after April's forum with Harvard Belfer Center, a series of sub-meetings and visits took place in Washington, D.C., Boston, Seoul, Hiroshima, and Korea-U.S.-Japan Trilateral Summit soon in Washington, D.C. again. In April, President Yoon Suk Yeol paid a State Visit to Washington, D.C. to commemorate the 70th anniversary of Korea-U.S. Mutual Defense Treaty. President Joe Biden, President Yoon reaffirmed an ironclad commitment to what has become a global alliance focused on defense and security, economic, commercial, environmental cooperation, technology, digital, space cooperation, and broadening development assistance, educational exchanges, and people-to-people ties—a lot of agenda between Korea and United States. All these agreements, I believe, provide a new backdrop platform for global comprehensive strategic alliance between Korea and the United States.

That covers not only regionwide broad cooperation in Indo-Pacific region, but also sharp collaborate, collaborative responses to bilateral and trilateral priority issues, including extended deterrence assurances of Washington Declaration and Strategic and Emerging Technology Partnerships.

Korea-U.S. alliance is now entering into grassroots collaborations with many states, cities in America. New massive business investments are being made in two-way, creating economic growth and well-paying jobs and providing new opportunities that will be adding a third pillar of strategic technology partnership on top of Mutual Defense Treaty 70 years ago, and the Korea-U.S. Free Trade Agreement (FTA) 11 years ago. In May, Japanese Prime Minister Fumio Kishida visited Korea and held a summit meeting with President Yoon. That is reviving a shuttle diplomacy between Korea and Japan, responding earlier to President Yoon's visit to Japan in March this year. During Hiroshima G7 Summit, a brief meeting of Korea-U.S.-Japan Trilateral Summit took place together with several bilateral meetings. And in the, in some near future, we expect Korea-U.S.-Japan Trilateral Summit meeting to be held in Washington, D.C. again, which will be producing new commitments and initiatives on the Korean Peninsula, Indo-Pacific, and beyond.

As global interest in Korea builds up, Korea Foundation is meeting greater opportunities in Korean studies, not only strengthen current subjects of language, literature, history, sociology, anthropology, social sciences, but also extending to new subjects based on new demands on art and culture, and science and technology. Currently, Korea Foundation is providing support to 107 Korean studies professors and instructors at 63 universities in the United States and Canada. I think Korea Foundation will play active roles in expanding new educational

exchanges including in STEM, arts and culture, helping to pool and recruit future scientists, engineers, creative, entrepreneurial young leaders.

New York City is a global capital, which is very important to the work of Korea Foundation. And the Korea Foundation is considering Asia Society and Metropolitan Museum as important partners in New York City. The first forum today with ASPI shall be the start of all the collaborations between Korea Foundation and Asia Society as my Foundation works on expanding New York-based projects, opening a new office in New York City soon.

I thank Asia Society Policy Institute and distinguished participants for their excellent contributions to this forum. I extend my profound gratitude to Vice President Daniel Russel, a renowned diplomat with extensive experience and expertise in international security and Indo-Pacific Affairs. I thank you for your support and commitment to organizing this meaningful event together. I pass my best wishes to all participants and audience members as well. Thank you.

Ernie Thrasher: It's an honor to be here today. As I've already said, I'm one of the Global Trustees of the Asia Society and I'm delighted to be here on behalf of the trust, Asia Society Board of Trustees to open his first-ever joint Asia Society Policy Institute and Korea Foundation Future Strategy Forum. I want to start by thanking the Korea Foundation and President Kim for their continued support of the Asia Society's work in arts, culture, and policy.

South Korea is the 10th-largest economy in the world and its companies are major developers and manufacturers of the technology that fuels our modern life. You may be carrying a Samsung phone in your pocket, driving a Hyundai vehicle to work, or watching this program on a computer with an SK Hynix flash memory drive, which is very, very complicated and very sensitive today. South Korea also finds itself with the U.S., its largest security partner, and China, its largest trading partner, increasingly at odds with each other. Not only does South Korea need to carefully manage its relationships in the region, but it also has to confront a hostile North Korea, where the Kim Jong Un regime continues to produce nuclear weapons and missiles to threaten its neighbors and the U.S.



Photo: Ernie Thrasher

We are here today to talk about 21st-century challenges. One challenge we must address is how to manage the risk of conflict in a highly globalized world where disruptions to our lives might come from equally pandemics or wars. Only by reminding ourselves what we have to lose, and exploring how to strengthen the systems that have made our economy strong, can we navigate the dangerous decades ahead. We have a terrific group of experts here to explore these issues, to highlight the importance of the U.S.-Republic of Korea (ROK) alliance, and share their perspectives on how we can move forward, prosper, and grow. I want to thank all of you for joining us today and offer my congratulations on the start of this forum, which will no doubt spark new and creative ideas for the policy community in both countries and throughout the Asia-Pacific. Thank you.

KEYNOTE ADDRESS (VIRTUAL)

PARK Jin: President of the Korea Foundation, Kim Gheewhan, Global Trustee for the Asia Society, Mr. Ernie Thrasher, distinguished panelists, ladies, and gentlemen, I wish to thank both the Korea Foundation and the Asia Society for inviting me to speak virtually today. Let me begin by noting that Korea and the United States both recently observed their respective Memorial Days, June 6 for Korea and May 29 for the United States. I say this because Memorial Day offers an opportunity to reflect upon how our great alliance was forged on the battlefield 70 years ago. And it is by remembering those who paid the ultimate sacrifice during the Korean War that we can ensure lasting freedom and democracy on the Korean Peninsula.

Today's forum comes a little over a month after President Yoon Suk Yeol's State Visit to the United States. The visit marked a historic watershed for the Korea-U.S. alliance. Over the past 70 years, our alliance has stepped up, evolved, and withstood the test of time. President Yoon's State Visit helped lay the foundations for our alliance to more effectively address the challenges of the 21st century and continue advancing over the next 70 years. Let me share with you some of the key deliverables of the visit. First and foremost, Korea and the U.S. have upgraded our security partnership to a new level. At a time when North Korea has been escalating its nuclear and missile threat at an unprecedented rate, it is absolutely imperative that our alliance adapt to this growing danger. Pyongyang's recent launch of a long-range ballistic missile with a so-called satellite is but the latest example of North Korean provocation. Against this backdrop, our two leaders adopted the Washington Declaration. This landmark declaration contains concrete measures to significantly bolster extended deterrence against North Korea. To ensure effective implementation, it establishes a new Nuclear Consultative Group (NCG), the first bilateral mechanism of its kind in the world. Through the Washington Declaration, the ROK-U.S. alliance is evolving to encompass nuclear deterrence as an important pillar.



Second, Korea and the United States are deepening our cooperation on economic security. The centerpiece of such endeavors includes strengthening collaboration on mutually beneficial supply chain ecosystems for critical technologies. For instance, we agreed to establish a private-public semiconductor forum within the Korea-U.S. Supply Chain and Commercial Dialogue. This will allow us to identify opportunities to collaborate on next-generation semiconductors, advanced packaging, and advanced materials, parts, and devices. Seoul and Washington have also established a Next Generation Critical and Emerging Technologies Dialogue. This mechanism will be led by the national security advisors of our two countries, a fact which speaks to the importance we attach to developing and protecting critical technologies together. These include bio-manufacturing, batteries, and quantum technology. Moreover, our collaboration extends to cyberspace and outer space. Through the launch of the ROK-U.S. Cyber Security Cooperation Framework, we are committed to expanding concerted efforts on securing cyberspace and combating cybercrime. Korea and the U.S. also issued a joint statement that highlights our readiness to work together in space. Examples include space communications, space navigation, and research on the Moon. The cutting-edge nature of this evolving partnership literally represents a quantum leap from where the ROK-U.S. relationship was 70 years ago. We are also strengthening the fabric of our friendship through more vibrant people-to-people and cultural exchanges. Our two governments announced a new \$60 million initiative to deepen the bonds connecting future generations. 2023 Koreans and 2023 Americans

Today our partnership has grown into a global comprehensive strategic alliance. It serves not only our shared interests but also our shared values. An alliance built on shared universal values such as freedom, human rights, and the rule of law is far more resilient and enduring than one based on common interests alone.

will be benefiting from this program. During his State Visit, President Yoon also attended a creative industry forum to promote ties between Korea and the U.S. content industries and streaming players. With the momentum generated by this forum, we can expect to see another *Squid Game* in the making.

Last but not least, our two presidents affirm that ours is a truly global alliance that champions democratic principles. Today our partnership has grown into a global comprehensive strategic alliance. It serves not only our shared interests but also our shared values. An alliance

built on shared universal values such as freedom, human rights, and the rule of law is far more resilient and enduring than one based on common interests alone. As was highlighted at the recent G7 (Group of Seven) Summit in Hiroshima, Korea stands shoulder to shoulder with the G7 countries. Aspiring to become a Global Pivotal State, Korea stands ready to harness its growing national strength in the service of the rules-based order, both in the Indo-Pacific and beyond.

Ladies and gentlemen, today it is hard to think of a domain that our alliance does not cover. Our relationship is no longer defined by any single issue nor confined to a certain region. The narrative of our alliance needs to evolve in tandem. The policy communities of both our countries can play a valuable part in this regard. This community includes institutions such as the Asia Society, as well as experts, scholars, and journalists, who are here today. And let me conclude by asking for your continued support, your support for mapping out ways to make the ROK-U.S. alliance thrive even further over the next seven decades. On that note, I wish this forum every success. Thank you.

PANEL I | KOREA'S SECURITY

Daniel Russel: Welcome to this first panel on understanding Korea as a Global Pivotal State. We've got a very, very impressive and distinguished group here. I'm not going to plow through their voluminous resumes, simply to say, as Rorry Daniels already told you, I'm Danny Russel, the Vice President, Asia Society Policy Institute. To my right is Ambassador Ahn Ho-Young who is a good friend and former diplomatic partner of mine from his days in Washington. We have Professor Han Suk-Hee from the Institute for National Security Strategy and also from Yonsei University. A close friend and colleague of mine, Allison Hooker, who has a distinguished career, first through the U.S. government and now in consulting; and Sue Mi Terry, who is also a friend and former colleague, you can read their really impressive bios in the program online. Suffice it to say we've got a wealth of experience and insight and intellect on the panel. This panel and the next one is on the record that means that anything you say can and will be held against you on social media. Everyone will have an opinion. In addition to the wonderful people in the room, we've got a fantastic audience who will watch you online not only throughout the United States, where Asia Society has various centers, but worldwide, I'm glad to say. And all of you, as Rorry mentioned, will have a chance to pose questions after we've had a bit of a chat.

So, I for one am impressed that knowing that this panel was scheduled in New York this week, the government of the Republic of Korea in an extraordinarily timely manner and commendable effort to support Korea Foundation and Asia Society just issued its first National Security Strategy. Now that's what I call just in time delivery, so that's still a thing despite the supply chain disruption of the pandemic. So, we've got the first National Security Strategy of the Yoon government early in the beginning of the term and the beginning of the year, we had not only the concept of Korea as a Global Pivotal State, but we have an Indo-Pacific Strategy, which is new for Korea and very consequential. And the third major policy document which Foreign Minister Park Jin raised is the Washington Declaration. These are three really big statements about the direction that Korea intends to go, about how Korea sees its interests and its security. But some of us haven't read them from cover to cover. So, the two questions I'd like to begin with to both you, Ambassador Ahn, and you, Professor Han, is: could you, number one, unpack these a little, tell us a little bit about these documents? What are the big takeaways? And secondly, what do you think that this package of policy initiatives tells us about how the Korean government, Korean companies, Korean institutions, Korean people, how they see the security threats, particularly in the Asia-Pacific region today?



Photo (from left to right): Sue Mi Terry, Allison Hooker, Han Suk-Hee, Ahn Ho-Young, Daniel Russel

AHN Ho-Young: Well, can you hear me okay? Because I should be starting by testing my microphone. But at the same time, I should begin by thanking you for being here this afternoon because we are in New York and everybody's busy. So, I really thank you for taking time to come to participate in this seminar. Thank you so much. Having said that, there are two questions I'm getting from Danny that I have to tell you, they are unrehearsed questions. It was only after I arrived here that then he told me these are the questions I'm going to pose for you. This is Danny style. How do I know that? Because when I used to be Ambassador in Washington, D.C. for no less than four years and four months, most of the time, this gentleman used to be Assistant Secretary for East Asia and Pacific. So, we used to work very close and then I know Danny style, so I'm not surprised about it. But at the same time, Danny already told you about three major documents—National Security Strategy and Indo-Pacific Strategy, and then Washington Declaration. And that if there is one, then it may be easy to comply with this first demand which is to unpack the document, right? But if there are three of them, then it becomes much more difficult. I told myself maybe I'll focus on something I would call common denominator—what would

So, the Indo-Pacific Strategy in fact starts by recognizing what is happening in the international system, but at the same time, there is even more important element in that document, which is it in fact declares a very strong resolve on the part of the Korean government to work with like-minded countries to further strengthen and defend rules-based international order.

be the common denominator and what would be the best document to unpack by which I would be able to share with you on what are those documents are about. And in my mind maybe this is to be the Indo-Pacific Strategy, which was announced in December last year. What was the document about?

I think there are two main ideas in the document: one, it recognizes the reality of today's international relations, which Foreign Minister Park has already mentioned about rules-based international order. Why rules-based international order is important? Because it was based upon rules-based international order that we could maintain peace, stability, and prosperity in Korea, as well as in Northeast Asia. And you know since relatively

speaking throughout the whole world for the past 70 years, this rules-based international order. What is the reality is that rules-based order is being challenged rather seriously in different parts of the world. So, the Indo-Pacific Strategy in fact starts by recognizing what is happening in the international system, but at the same time, there is even more important element in that document, which is it in fact declares a very strong resolve on the part of the Korean government to work with like-minded countries to further strengthen and defend rules-based international order. So, these are two main elements in my mind, we can find in the Indo-Pacific Strategy. And that I think forms a very strong basis of the document which has been issued this week, which is National Security Strategy.

And I think one good idea of understanding National Security Strategy report, which was issued today, will be to compare it with National Security Strategy which was issued by the previous government, but it will be taking some time. In case there is a question coming from you, then I'd be glad to respond to your questions but it will be taking too much time. So, let me just stop there because I am just following my instinct—Danny is getting impatient.

Daniel Russel: I'm not going let you off the hook just yet. Because I want to follow on before getting to Professor Han with the second part of the question, which is, what have we learned? What do we see about how the Korean government let's say sees the threat that it faces? What are some of the drivers? You talked eloquently about the goals and the aspiration for a rules-based international order. I think that connects to Global Pivotal State as well. But when we look and ask ourselves about the security environment, what do you see when you look at the region from the perspective of Seoul?

AHN Ho-Young: Well, one good way of understanding the challenges we face today would be comparing them with the [last] 30, which had relative peace and stability. We used to enjoy that from 1990 to 2016. That, in fact, was the period when Cold War came to an end and I think it was the period when the historian Francis Fukuyama who said, "well, this is the end of history," and some of you will remember what he used to say at the time, and I very much hoped that he will be right. But at the same time after 30 years, we understand maybe it would have been nice if he had been correct. But after those 30 years, we come to realize, unfortunately, he was not. So, during those 30 years we saw rules-based international order spreading well over the free world. And one good example which always comes up in my mind is Korea joined OECD (Organization for Economic Co-operation and Development) back in 1996. One country which joined OECD just ahead of Korea was Poland, several months ahead of Korea. That was back in 1996. So, the foreign minister of Poland he came to celebrate Polish membership with OECD. I guess that was some time like September 1996. So, I knew Korea is going to join three months later, so I came to watch him for his press conference. And I still remember what the foreign minister of Poland said in his press conference. He said, "this is a great day for Poland. We are joining OECD, but at the same time, there are next steps where we have to go, which is we will join EU (European Union). We will join NATO." And I was listening to him who is he? He's a foreign minister of Poland. You of course you used to remember the Warsaw Pact, which has its name come from the capital city of Poland. And now there was a foreign minister of Poland who said we will try to join NATO (North Atlantic Treaty Organization). And that single statement reminded me very deeply about the nature of changes which were taking place at the end of the Cold War.

Now what we are observing, I mean I'm just getting back to Danny's question, which is: what is the nature of the challenge we have today? I think it is the reverse taking place today—in the sense that if the tectonic change that put Cold War to the post-Cold War period is a reduction of tension and in a sense a promotion of international exchanges in various different areas, what we're experiencing today is something just taking place in the reverse order. And then this what we are experiencing and observing in Ukraine, in the Taiwan Strait, on the Korean Peninsula, in the Middle East. And that is what we are all experiencing and that in fact is all the more reason why, as I already told you, I think what Korea has done last year as well as this year—that is to say declaring Indo-Pacific Strategy last year and coming out with the National Security Strategy this year. Why I think they were so timely and so critically important. So, as a former diplomat of Korea, I fully support what Yoon Suk Yeol's government is doing.

Daniel Russel: That's a great answer. I admit I wasn't expecting to hear about Poland in your answer, but it makes sense. History didn't quite end and in any event, it started back up again with a vengeance. Just as we pass through some important threshold at the end of the Cold War, you're right to posit the question of whether the era of strategic friction, strategic rivalry, is not looming if not back on us. Thank you.

AHN Ho-Young: Danny, among those three documents you mentioned, I covered the Indo-Pacific Strategy as

well as National Security Strategy. I didn't say too much about the Washington Declaration, but I'm pretty sure Professor Han will be more than happy to share his thoughts.

Daniel Russel: Professor Han, feel free to go where you want. But the basic question is still on the table: how should we make sense of these important policy developments and what more can you tell us about the perception from the Korean point of view about the threats and the challenges in the region?

HAN Suk-Hee: Thank you, Ambassador Ahn. In contrast to Ambassador Ahn's grand views, my major is Chinese studies, so I'll try to focus more on a regional perspective. I think Yoon Suk Yeol's government's posture, these three documents the major reason...I would like to explain the implication of these three documents from three perspectives. The first one is: departure from previous government. Previous President Moon's government tried to focus on North Korea; they tried to be more friendly to China; and they tried to put some distance from the United States and Japan, but that triggered a lot of problems and then many Korean people they got fatigued from those kind of strategies. So, President Yoon wants to posture to three documents, he wants to represent Korean people's aspiration to be out of those kinds of previous schemes. So, I think, in that perspective, President Yoon wants to promote GPS, which is Global Pivotal State, and he wants to promote Korea to the world not only this region and also wants to engage into the global affairs. That's first implication.

Second implication is previous Moon Jae-in and Roh Moo-hyun government tried more to focus on Korean Peninsula perspective. I think Korea is getting bigger and its growth is number 10 in the world, so we try to expand our views to the global perspective. So, on that perspective, I think President Yoon wants to get out of the Korean Peninsula perspective and into the U.S.-China competition perspective. He wants to expand Korea

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as a perspective to the other countries. On that perspective, he joined the Summit meetings of NATO, and he wants to be interested in the Ukraine crisis, and he wants to expand his own interest to the other countries in the world. That's the second.

Third one is: how we can expand our perspective to other countries. The first thing is we tried to strengthen U.S.-

Korea alliance and based on that one, we want to strengthen U.S.-Korea-Japan tripartite cooperation that will be a major carrier to expand our own perspective to the world. Key thing about Yoon Suk Yeol's activities would be that he all of a sudden wants to make a détente with Japan. Actually, since 2012, when President Lee Myung-bak visited Dokdo and since then Korea-Japan relationship was very sour. Especially in the previous five years, the Japanese people really hate Korean people and Korean people really hate Japanese people. It's not that easy to make these two country to be in a better relationship. I think that only Yoon Suk Yeol can make this kind of progress. Every other politician can't make this change because they concern that their popularity will be decreased. So, I think that would be the major accomplishment of him and based on Korea-Japan kind of shuttle diplomacy. And he wants to come to the United States last May and as you know that his 'American Pie' would be great success, and then he just make the three countries get together very closely. I think that will be a great success and great implication of these three documents.

But at the same time, we have some kind of risk and also kind of a side effect. The first thing is North Korea—North Korean threat is still there. Ambassador Ahn just mentioned about a lot of global perspective or threats,

but I tried to speak about the regional and the more specific kind of threats that Korean people perceive. The first thing is North Korea's nuclear is still there and everyday they're developing, and that will be the very threat that Korean people perceive. So that's why we just mentioned the extended deterrents and Washington Declaration and we want to strengthen our alliance with the United States. Second thing is China. I've frequently visited Washington, D.C. In Washington, D.C., many people say, "China, China, China." China, from a Korean perspective, is not a threat yet, but it's kind of a risk, kind of a challenge. I think the U.S.-Korea alliance, and the strengthening of U.S.-Korea-Japan tripartite cooperation—we have to strengthen this because of the North Korean nuclear threat. But from the Chinese perspective, this kind of activity would be threatening to them, they believe. So, China is gradually trying to place pressure upon Korea right now. I think China's pressuring would be getting more threatening or riskier towards Korea. This is the current situation at the moment.

Daniel Russel: Well, thank you. I think you make an important point in marking the transition from the National Security Strategy of the Moon government, which I think was in 2018 if I am not mistaken, and this version of the National Security Strategy. One thing that really leapt out at me as a big difference between those two documents was, not surprisingly, the way they frame the North Korea issue. I recall that the National Security Strategy under the Moon government was all about a "prosperous and peaceful Korean Peninsula." It was very aspirational, very hopeful. Whereas there's an interesting phrase in the new National Security Strategy about inter-Korean relations based on principles and based on reciprocity. I can tell that that's a very different approach. I'm interested, maybe in the course of the conversation, we can hear more from you on what that means.

One follow-up question that I have on Japan-Korea. I think that all of the Americans, at least on the panel, would agree that it is an act of tremendous political courage, as you said, for President Yoon to put himself out there, to extend a hand, to break the logjam. From the American perspective, it's all upside. This is very, very good news for U.S. national security, for U.S. economic interests, for the broader geopolitical agenda. But why did President Yoon feel the need to do this? How much of it is the two risks that you mentioned? And what specifically is the problem to which closer Japan-Korea and closer trilateral coordination is the solution?

So, without cooperation with Japan, we have two crises: one is in the development process, we need more Japanese help. Second thing is, in order to defend Korea from potential aggression from North Korea, we need Japanese help.

HAN Suk-Hee: From President Yoon's perspective, Japan is the nearest country of Korea, and the nearest partner of Korea. Economically, we are very close. Recently, the Korea-China economic development would be much faster than that of the Korea-Japan, but still, Korean people depend a lot on Japanese resources and Japanese technology. So, without cooperation with Japan, we have two crises: one is in the development process, we need more Japanese help; second thing is, in order to defend Korea from potential aggression from North Korea, we need Japanese help. This is because Japan has developed a better kind of detecting system of North Korean missiles. Also, we have to develop our own military, economic, and political cooperation. I think President Yoon has watched this kind of situation for more than 10 years and that will be the major obstacle for Korea to move or to develop itself; not only in terms of security but also in terms of economy. So, I think President Yoon's first priority is to make détente with Japan. Many politicians in Korea know that we need to make a great relationship

with Japan. But politically, it is not easy to do this because many Korean people still remember the Japanese occupation of Korea 70 years ago and that they did not say sorry to us properly. So many Korean people still have a negative image of Japan. So, many of the politicians are not able to do that, they are not able to make a great progress in the bilateral relations. But for President Yoon, he was not a politician, he jumped into Korean politics for less than one year and he became president. He courageously just did that. I think that will be the key point that he just made, this kind of progress between Korea and Japan, and based on that one among Korea, Japan and the U.S. At the same time, domestically, his popularity plummeted, struggling at about 38-39% of popularity in the country. I think this will go up, but at the same time we need cooperation from the United States and Japan.

Daniel Russel: Well, let's hope the pattern of political leader making decisions that serve the real interests of the nation and national security as opposed to following up politically expedient path is contagious because the world needs more. Thank you so much.

HAN Suk-Hee: Kishida earned a lot of things and a lot of popularity because President Yoon visited Japan. President Biden, he also credited from this kind of activity, his popularity keeps going up, but at the same time, President Yoon's popularity is going down. So now it's time for the United States and Japan to help President Yoon to brighten his popularity.

From my perspective, in addition to this sort of excitement about the relationship, I think it's wholly appropriate for Korea to have such a grand vision, for the Yoon administration to have a grand vision, for what more Korea can do globally.

Daniel Russel: Great arguments and spoken like a former diplomat. Allison, let's turn to you next. There's a lot on the table. The floor is yours. What do you think?

Allison Hooker: Well, thank you. What a great panel this is to kick off the forum. There are so many places to dive in, but you know, I'm sitting here thinking that if I were still in government, and it was my responsibility to work with the alliance, to work with my South Korean counterparts, I

would be very excited about this moment. Because what you have in President Yoon is a very active alliance partner with a big vision, a bold vision, lots of aspirations and ambitions, but willing to bring a lot to the table. You know, he's taken these steps to shore up the U.S.-South Korean alliance. He's looking beyond the Peninsula; he's looking towards the rest of the world. And, I can just imagine sitting at my very small desk, which Danny would remember because he probably also sat at that desk at some point, sitting there in the past, thinking like, "Ah, you know, how much am I going to have to pull my partner to the table on this," but I don't think that's the case right now. And that really goes back to what I think everyone has mentioned so far, the Yoon's Global Pivotal State vision that he had coming into office, and yes, it's ambitious and it's aspirational, but I think that's definitely driving each of these policy documents we've talked about so far. It's driving, working from the most recent backwards, the new National Security Strategy, which lays out four specific goals, which I think are surprises to no one—North Korea; China in the context of U.S.-China competition; supply chain issues; and then the sort of broader kind of threats from infectious diseases, climate change, and these kinds of new threats that are facing all of us.

You can see the boldness show up in that document, you can see the boldness show up in the Washington Declaration and in the Indo-Pacific Strategy. And from my perspective, in addition to this sort of excitement

about the relationship, I think it's wholly appropriate for Korea to have such a grand vision, for the Yoon administration to have a grand vision, for what more Korea can do globally. You know, I tell a quick story which Ambassador Ahn may or may not remember, it wasn't directly with him. But during my time in planning for summits at the National Security Council, I was sitting down with Korean counterparts and urging them for some strong language in one of our documents, you know, much like we're talking about today. And there was a reticence because of concern about China's reaction. That's natural. That's normal. As we've talked about. China is a huge economy and is the main economic partner for South Korea, but the reticence to take a strong stand was not on economic issues. And my counterpart at the time said, "We're just a shrimp between two whales." You know, I'm sure many of you, if you follow Korea, you've heard this phrase a million times. But I would say, you know, what I told my counterpart then is, "You're not a shrimp. You're nowhere near being a shrimp." There's so much that Korea brings to the global table and having that that mindset shift, even if it's so ambitious, it's appropriately so. I think it's really pulling Korea forward onto the global stage in a way that it deserves to be there.

And we've had South Korea at the NATO Summit last year, we have a new UN (United Nations) Security Council term opening up at the end of this year for a two-year term for a non-permanent member. There are so many other ways that Korea is taking its place, and I just genuinely am excited about that. That doesn't change the fact that we have very real challenges. Just to affirm and agree with what my colleagues have said so far, of course, North Korea is going to continue to be the major challenge for the alliance because it's the "closest dog to the sled," as they say, it's the closest threat, it's a real threat. And you know, the steps that both the Biden administration and the Yoon administration have taken to shore up the alliance, to take these bold steps on Nuclear Consultative Group and extended deterrence, etc. It's a step in the right direction. Is it everything we should be doing? Um, you know, I don't know how you make it perfect, but it's a step in the right direction. There's the China threat where I think having a stronger alliance bring strength at the table there as well. There's a supply chain issue. Of course, Korea has so much to offer on the supply chain challenges that we face. And as I've talked about in other fora with regard to the alliance, Korea is really taking steps in emerging technologies and critical technologies. This is the future of the alliance. I'm excited to see what more we're going to be doing together. We are both innovative states and we need one and another, and both countries will bring a lot of synergy. So, I'll stop there. I threw a lot on the table as well. But just to reiterate, I think that obviously the alliance is in a stronger place. And the view from focusing more on the Peninsula, which deserves it, but broader globally, I think is a really appropriate one for the era that we're in.

What transformed in the past year is the way the South Koreans want to deal with North Korea.

Daniel Russel: Thank you. Thank you. Well, Sue, I want to hear your thoughts and your reactions. Not to divert you from that, but Allison just raised the Korean Peninsula, I don't want to abandon the global pivotal piece of the equation either, but I am going to want to turn to something North Korea questions for all four of you, but please.

Sue Mi Terry: In security we talk a lot, we talked about Global Pivotal State. So let me just touch on three things. I know we're going to get back to North Korea, but let me start with North Korea, because the National Security Strategy. What transformed in the past year is the way the South Koreans want to deal with North Korea, right, but the way they see the threat, it was front and center, right away. It's the most immediate pressing challenge,

security challenge, for South Korea. It's still there. You can be a Global Pivotal State but it's right there. 70-some missile tests last year, 30 missile tests this year. They're expanding, they're modernizing. They're diversifying their capability. They talked about two things in their National Security Strategy—the document talked about North Korea's focus on tactical nuclear weapons. This is very, very important, right. There's a reason for that—operational tactical nuclear weapons.

Secondly, the National Security Strategy talked about North Korea's focus on preemptive use, this threat of preemptive use. So those two things combined is very serious because when they're talking about preemptive use, North Koreans came up with a whole nuclear doctrine in the last fall and five conditions that they can use nuclear weapons. And it's basically whenever they would feel threatened. And when they tested these short-range missiles it's literally a simulation of just showering South Korea with these tactical nuclear weapons, and what is their goal of doing that? Their goal is to really split the U.S.-ROK alliance, right, this is where they're headed. This is what they want. This is their long-term goal. This is why they're focused on tactical nuclear weapons. And they are talking about preemptive use because the hope is that one day you will make it too costly and risky for Washington to come to South Korea aid. By holding the long-range ICBM (inter-continental ballistic missile) in reserve, which they've been testing and modernized and expanding, and by having this capability, they were hoping that one day maybe a future isolationist leaning U.S. president would say that this is too risky to come to South Korea's aid. And this is what they are getting at. So, I'm providing the context in which this Washington

Declaration came about. So South Korean's understandably are very anxious about North Korea's expanding nuclear program.

Then there's the context of Russia's invasion of Ukraine, we can talk about that—a nuclear armed country invading a non-nuclear country—Ukraine gave up its nuclear weapons

in 1994. So, in this context, there is an anxiety. You have these recent polls in South Korea that show that the majority of South Koreans support South Korea developing some sort of nuclear capability. It didn't go into all kinds of detail about whether they really want to it, but it's still showing the South Korean's level of anxiety when it comes to North Korea. This is the background of the Washington Declaration that came out during the summit.

From the Biden administration's perspective, it assuages South Korean's concerns about the extending nuclear deterrence. While the Biden administration gets South Korea sticking to the Non-Proliferation Pledge, so they're not going to go nuclear. This was some sort of a compromise deal, it's not perfect. There are still conservatives in South Korea saying that this Washington Declaration is not enough, because this Nuclear Consultative Group, or even U.S. president guaranteeing that we're going to talk to the South Korean president before using nuclear weapons, all this consultation, sending more defense, the military exercises, the contingency planning, some hawks will still say that it is not the same as South Korea developing nuclear weapons. But as Allison just said, it is a start. This is still an acknowledgment that U.S. and South Korea together, in tandem, can respond to North Korean threat. They're doing something about it, and this is a flexible piece. It's like a clay and you can mold into something, so it is a reasonable start. It's not perfect, it's not going to get rid of South Korean concerns. But that's what this is all about.

This is still an acknowledgment that U.S. and South Korea together, in tandem, can respond to North Korean threat.

Secondly, just quickly on the U.S.-China piece, of course, South Korea has heard of this strategic ambiguity, balancing and all of that. South Korea has given this kind of hedging policy because China is South Korea's number one trading partner, as Allison said. Trade between South Korea and China is double that of South Korea-Japan, South Korea-U.S. combined. It makes sense that South Korea is caught between their trade partner and security partner. But President Yoon, in this past year, has been more vocal about pushing back on China, and talking about this with like-minded allies, a lot of universal norms and values and so on. And you know, China's not going to like it. My only point here is that this U.S.-China competition is going to get worse, and so is domestic politics in all capitals. In Taiwan, there's going to be an election coming up, it's not a good thing. U.S. domestic politics is all about who can be tougher on China, so the Congress, the U.S. president are going to be like that whoever the candidates are. There's going to be more pressure. So, for South Korea this is going to be a continual challenge.

And the last piece on Japan, I have to agree with my fellow panelists, in that President Yoon showed extreme courage here. I'd rather deal with North Korea policy than have to work with Korea-Japan, in terms of their relationship. It's just a very difficult thing and, domestically, a very unpopular decision to have this forward leaning relationship with Japan and to strengthen Korea-Japan-U.S. relationship. So, for this, President Yoon absolutely does deserve credit.

Daniel Russel: Thank you very much. Sue, you made a lot of great points, including a really important point about the role of tactical nuclear weapons and how that can be leveraged to further advance North Korea's ongoing perennial strategy of trying to split the alliance. Just to stay with North Korea for a moment. Do any of us think that the Washington Declaration, the National Security Strategy will have the kind of impact on North Korea that we want it to have? Or is this lighter fluid on the barbecue? Are we accelerating North Korea's resolve and determination to hurry up and be able to magnify the threat across the board?

AHN Ho-Young: Well Danny, I think it will come down to the question about how effective Washington Declaration was. I think looking up on how North Korea reacted was one indicator of how effective the Washington Declaration was. Because North Korea reacted in a very, very negative way. They burnt the leaders of South Korea and United States in effigy, and that in fact, could be a kind of level of indication of concern it created in the minds of North Korean leadership. But at the same time, one element of the Washington Declaration which I really appreciated was the two expressions when it comes to Nuclear Consultative Group: joint planning and joint implementation. These two phrases used in the in the Washington Declaration which I really appreciated.

One of the reasons why there was so much concern in Korea, about the dependability of extended deterrence offered by the United States was because many people thought in Korea, we don't have any voice and it is just up to Washington. It will be designed and it will be implemented in a way that Washington sees fit. And then if this is the case, then we don't have any voice and this is at the source of the concern that's widely shared in Korea. So, when I saw those two expressions, that is to say joint planning and joint implementation, I said to myself that they in fact tried to strike the nail in the exact right place. So that's a positive impression I had. But at the same time when it comes—to this is question which Sue Mi has raised—which is how widely would it be able to remove the concerns in the mind of South Korea citizens? So that question is still there. I think one of the most efficient ways of removing much of those concerns will be how we implement the Washington Declaration.

We've been making comparison between NCG between Korea and the United States, and NPG between United States and NATO. When it comes to NPG, we have to think about the three-tier implementation body and it need not be too technical. When it comes to NPG, which is to say the Nuclear Planning Group, the group the U.S. has with NATO countries, it has three implementation tiers, but at the very bottom of the pyramid, there's a working group—a standing working group. How is it possible? For those of you who have been to NATO headquarters, you would remember that all NATO representatives have offices that are in fact physically located in the same building in Brussels. All NATO member countries have their representative offices in the same building, so they are literally there every day—they meet each other in the meetings, they meet each other in the corridor, and they meet each other in the cafeteria. And, it is the working group which meets every day—which in fact will be involved in the joint planning, which at the end of the day, will be implemented.

Daniel Russel: Well, we have a huge head start I think as the alliance given the combined forces command, given the tradition of working together, and, mercifully there are only two countries, not 27 like NATO.

AHN Ho-Young: That's the advantage, Danny, you're absolutely right, this the advantage. But at the same time, when it comes to CFC (Combined Forces Command), it in fact, has not been too much involved in nuclear implementation. So, I think the first step we should be taking would be to agree between Korea and the United States to set up a standing implementation body at the working level. I think it would go a long way to further strengthen the level of confidence in the minds of Koreans.

Daniel Russel: I'm with you. I think we've used up our quota of acronyms for this panel. We have we still have a little bit of time left and I will open the floor to questions. I hope we have someone with a microphone standing by. But before I do, I have two questions—one for our North Korea experts at the end and one for Professor Han. On North Korea, just wondering your views about the impact that we are likely to have on North Korea from the Washington Declaration. And similarly, for Professor Han, presumably whatever China's concerns about the reality of North Korea's nuclear program and certainly has serious concerns about the prospect of a nuclear sharing agreement with South Korea and/or Japan. So just a quick thought on reactions to these developments.

Sue Mi Terry: So, we're not adding fuel to fire. They are already doing it anyway. So, I don't think this is necessarily because we have Washington Declaration or the other documents is going to make them do anything. Look at what North Korea has been doing activities in the past year while the whole world was distracted, nobody even cared. There were multiple ICBM tests, and 70 tests. In 2017, it was still a big deal when they conducted an intercontinental ballistic missile test. Now, I know it's not a big deal because I don't get called to go on TV anymore. Nobody cares if there's an ICBM test, a solid fuel rocket test, a hypersonic test and train mounted ballistic missile tests. They don't care. So, they are on this course to develop tactical nuclear weapons, it is part of their defense plan. They have a five-year plan and they've been executing their plan. They are on their speedy course in advancing, modernizing, and diversifying qualitatively and quantitatively. End of story. They're doing it. It doesn't matter if there was a document or there wasn't a document. However, that said, we need to prepare. U.S. and ROK need to prepare for it and we need to allay South Korean concerns. So, this is an important start. It's not perfect. It depends on how it gets implemented. Ambassador Ahn is absolutely correct. But it is a beginning step. And we'll see how it goes.

Daniel Russel: I'm not sure anybody can improve on that answer.

Allison Hooker: I agree with Sue Mi 100%. I was, if I had started to answer first, I would have said Kim Jong Un has a plan. He's got a list. He's checking off of all the programs he's wanting to test and wanting to improve. It's been very clearly laid out and their five-year plan. So yeah, I agree. I don't think they care about what the document says or not. They're kind of using this time that the world is distracted. There are so many other things going on. They understand there's not going to be any major repercussions as has been demonstrated over the past year and a half. I've talked a lot with folks who do want to see diplomacy and dialogue get back on track. The only thing I would say to that is, you know, it takes two to tango there and North Korea will have to want to come back to the table, and I don't think that they see there's anything in it for them, right now. And so, it's a great time to do what Sue just said.

Kim Jong Un has a plan. He's got a list. He's checking off of all the programs he's wanting to test and wanting to improve.

Daniel Russel: And just a very quick capsule synopsis of what you would expect in terms of the Chinese reaction.

HAN Suk-Hee: I think China's reaction is they tried to make a very close relationship with North Korea. And recently, China does not oppose against North Korea at the UN Security Council, so that will be one of the examples. But after the Washington Declaration, I think China is in trouble because if they back up North Korea, their backing up activity would trigger a lot of security instability. So, China is getting into big trouble in this area.

Daniel Russel: I completely agree with you. I think the Chinese are seeing this going in a direction that they don't really want to go but the only solution they have is to yell louder at the Americans. Okay, the floor is open. Yes, there's a gentleman right here in the blue shirt.

Audience 1: Thank you very much. I'd ask you to talk a little bit about the Chinese-Taiwan conflict and what role do you see Korea playing in trying to straddle that conflict given its ties to China?

HAN Suk-Hee: From the Korean perspective, a Taiwan contingency is Korea's contingency. Because Taiwan contingency carries along economic containment. Our energy imports, 80% of Korea's imported energy come through the Taiwan Strait. So, if anything happened, Korea will be directly influenced. Korea is concerned about the Taiwan contingency which is why President Yoon just emphasized peace and stability on the Taiwan Strait, and that's why he said he is opposed to any activities that change the current status quo by force. But China received differently those kinds of comments. From the Korean perspective, Taiwan contingency is very important to our security. And second thing is if anything happened to the Taiwan Strait, then U.S. forces in Korea will intervene, and in that case, China declared that they will send missiles upon the American bases in Korea. So, automatically the Korean military will be involved in the Taiwan Strait crisis. I think the best option for the Korean government would be to maintain peace and stability on the Taiwan Strait.

Daniel Russel: Great question and great answer.

Sue Mi Terry: On a related point, when we talk about the contingency, when we do these exercises, we are also worried about North Korea taking the opportunity of a Taiwan contingency and making trouble there. And that will be a double conflict that we'll have to worry about.

Audience 2: Quick question on the Indo-Pacific Strategy. How are you evaluating India as a nation because the United States has its own Indo-Pacific Strategy and the Quad and IPEF (Indo-Pacific Economic Framework for

Prosperity). How do you evaluate India in terms of the Chinese threat? Thank you.

AHN Ho-Young: It has been fashionable for general commentators to talk about U.S. alliances across the Atlantic, there's been collective alliances like NATO, and, of course, hub-and-spokes—a collection of bilateral relationships with Korea, Japan, Australia, etc. So, that has been a common understanding. But these days, I think there has been a thinking in Washington, D.C. that stresses the Indo-Pacific as well, where a collective effort would be helpful. So there has been the Quad, AUKUS (Australia, United Kingdom, United States), as well as the possible talk of extending the Five Eyes intelligence sharing between agencies. So that effort has been there. And I think that raises a new challenge for Korea. So far it has been the bilateral relationship between

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the U.S. and Korea but with the renewed emphasis on collective security arrangement in the Indo-Pacific, so that has been the reason which there has been increasing interest in Korea about Quad, about AUKUS, as well as closer cooperation among United States, Korea, and Japan.

Recently I was speaking with an Indian commentator, and she said something very interesting, which is we understand Korea is interested in the Quad. Within the Quad, Korea already enjoys

a very close relationship with the U.S., Japan, and Australia, but that's not the case when it comes to Korea's relationship with India. So, if Korea is really interested in the Quad, then Korea should further strengthen its bilateral relations with India. According to her, this is already happening. Korea's K9 Thunder has been sold to many different countries in the world and India is one of the recipients. These K9 Thunder tanks are currently deployed along the India-China border. The commentator also mentioned the frequent maritime domain awareness exercises within the Quad, which is obviously in Korea's interests. As Professor Han said, much of Korea's transport route goes through Indian Ocean and the Malacca Straits and then finally to the Taiwan Strait. So, there are many areas where we could be cooperating with India. The Indian commentator argued that through strengthening bilateral relations with India, Korea eventually could further strengthen its connection with the Quad.

Daniel Russel: Thank you. We have time for another question, please.

Audience 3: Is anyone aware of a bold courageous Japanese politician, public figure who might lessen the political risks of President Yoon's activity to détente?

Daniel Russel: Let me give that to our American panelists.

Sue Mi Terry: Well, you Danny actually you should be the one to answer that. You're the Japan expert.

Daniel Russel: Well, yeah, his name is Kishida Fumio. And he's the Prime Minister of Japan and it's a very timely moment for him to be the prime minister in as much as he was the driving force in 2014 behind the negotiation on the Japanese side of what ultimately became called the Comfort Woman Agreement, which was a very dramatic breakthrough. I think that the perception of reticence, hesitancy, reluctance even on the part of the Japanese in responding to the outstretched hand, although it's started to warm up considerably with the omurice dinner in Tokyo. The Japanese figured out what President Yoon's favorite meal was and found the restaurant that had originated this recipe and took him there, is attributable to the political calculation, and no lack of courage here.

I think it's a matter of political savvy. That if you hit the accelerator too hard from a dead stop, all the payload is going to fall off the back of the truck. I think Prime Minister Kishida wanted to make sure that when he moved to engage and to help reconstitute a constructive, bilateral relationship between Japan and Korea, he didn't move so fast that he left the rest of Japan behind and that he's been quite deliberate and quite strategic in building the foundation on which the long-term Korea-Japan relationship can rest. Sustainability is in his goal. And so, it's a great question. And what I am very curious about is, what your perceptions and expectations are about both the sustainability of this rapprochement but also the risks to it.

AHN Ho-Young: I agree with you, but also, at the same time we understand the importance of factions in Japanese politics. Factions play a very important role in the Japanese Liberal Democratic Party (LDP), and the Kōchikai faction that Prime Minister Kishida comes from is not the strongest

faction in the LDP. I think Danny's analogy of we're striking on the accelerator too strong when the car is standing still is a good analogy, but at the same time, I think it will come down to the question about the size of the engine. When the engine is too small, it would move efficiently, but the Kōchikai problem is there. As we were listening to Professor Han and his sense that Prime Minister Kishida's popularity has gone off over the 50%, so it's good for him, but I think it's good for Korea-Japan relations as well. But there is one relatively unknown story, which is that the biggest faction within the Japanese LDP is still Prime Minister Abe Shinzo's faction. And then there is another leader in the Abe faction whose name is Tarō Asō, and then this is a relatively unknown story, which is that Asō has been to Korea and then he's a former leader. He used to be rather strong in the in the previous governments but he doesn't hold important position in the present government, but still President Yoon met with Asō. This was received very positively on the part of Asō as well as by the LDP. We must understand and we must play with this kind of peculiarities of Japanese politics. About your last point on sustainability, I think there lacks a broader understanding about the importance of the partnership between Korea and Japan, and in a sense, we've been taking it for granted.

Daniel Russel: Agreed. Anything you want to add, Professor Han?

HAN Suk-Hee: The most important thing for the Japanese people is how Yoon's government will be sustained and be reproduced in conservative governments. Japanese people have witnessed how the Moon government reversed course and what they agreed before. They completely welcome rapprochement but they are also concerned that four years later a minority party will win and then the Korea-Japan relationship would be very different. So, they are concerned about that. Therefore, both Japanese and the U.S. government should help Yoon for the benefit of their bilateral as well as trilateral relationships. Thank you.

Daniel Russel: Well, there's so many more questions. There are some big topics that we haven't really unearthed like the implications and the impact of the war in Ukraine and the Russia factor. It's a long list but we have special dispensation to take a final question.

Audience 4: I have a question about relations between Korea and China. Recently, the Chinese ambassador to Korea stated that Korea's decision to align with the U.S. could potentially be a misjudgment and a cause for

Much of Korea's transport route goes through Indian Ocean and the Malacca Straits and then finally to the Taiwan Strait. So, there are many areas where we could be cooperating with India.

regret. This has led to ongoing disputes between the two countries. Given that the intensity of this pressure is likely to increase, what do you think about the alliance between Korea, Japan, and the U.S., and its role in resolving this kind of pressure?

Daniel Russel: What do we think the role of the alliance is in helping to resolve or deal with the pressure that Korea is facing from China? Well, why don't we just take a quick shot?

Sue Mi Terry: I want to give a shout out to our colleague, Victor Cha, who wrote a *Foreign Affairs* article. He advocates for collective economic preparation, joining forces with like-minded allies to counteract economic cohesion. What I meant earlier was that the pressure will only continue to grow because China, or Beijing, is very unhappy with the strengthening of trilateral relations between Korea, Japan, and the U.S. They have been working on multiple measures, such as the recent radar linking decision. This means the pressure will only grow. However, South Korea has learned from experience that simply giving in doesn't ease the pressure. South Korea has already faced this type of economic coercion during the THAAD (Terminal High Altitude Area Defense) deployment controversy. So, in my opinion, the answer for South Korea is to collaborate with like-minded allies to push back.

Allison Hooker: Yes, I agree with that 100%. I think the Chinese have actually conveyed the same message to the Japanese as well. This is a new strategy from China. They're stating, "You can't rely on the U.S., you shouldn't align with them. Side with China." This approach mirrors the coercive tactics they've used before. So, the key to confronting such threats is strength in numbers. I believe that strengthening alliances is crucial. The steps being taken to not only strengthen the U.S.-South Korean alliance, but also the trilateral security cooperation and all the things we just discussed, are pivotal. Moreover, establishing partnerships with like-minded nations around the world is something we can work on together.

HAN Suk-Hee: First of all, Ambassador Xinghai Ming was merely imitating Biden's comment that it's not a wise bet to be against the United States. Secondly, I know Ambassador Xinghai Ming personally quite well. While he's not a good friend of mine, I can't say whether his activities and comments stem from his own orders from the government or his personality, which might spur him to initiate such troubles. I'm not sure. But if anyone asks

me why, I'd bet the second one.

Daniel Russel: Well, if you have him on WeChat remind him that President Xi Jinping has outlawed gambling, and so he shouldn't be talking about bets.

HAN Suk-Hee: It is the same thing many times before. So, I'm not sure why he would that. Is it government orders or his own personal intent. Third one is that kind of event gave me some kind of idea that China did not change yet. Yoon's government is very different from Moon's government. But his activity is effective to Moon's government but not to Yoon's government. So that is concerning me. So, China has to know about what's different and the Yoon government. It's completely different from the Moon government. If China's activities stay the same, then it might cause some trouble between two countries.

Daniel Russel: That's a very good interesting point.

AHN Ho-Young: Professor Han made three points. Allow me to elaborate a bit on the third point. Previously, I discussed the Indo-Pacific Strategy, which was announced last December. At the time of the announcement,

This is a new strategy from China. They're stating, "You can't rely on the U.S., you shouldn't align with them. Side with China."

there was some concern in certain corners of Korean society that this strategy could potentially undermine Korea's relationship with China or Russia, or those countries that do not necessarily support a rules-based international order. The impact of this concern is evident within Korean society. To address these concerns, I attempted to clarify what the Indo-Pacific Strategy says about China. It states that this strategy does not target any single country or group of countries. Korea will continue to develop its relationship with China based on principles of rules-based international order, mutual respect, and mutual benefit. This is the essence of the Indo-Pacific Strategy. This understanding is closely related to the third point raised by Professor Han, in that perhaps China hasn't fully realized what the government means by its strategy. In other words, we are more than ready to continue working with China, but such cooperation must not undermine the rules-based international order and should be founded on mutual interest and respect. It is crucial for China to understand this.

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Daniel Russel: Thanks very much to the audience for the great questions. Thanks to a terrific panel, this really has been a wonderful discussion. I've learned a lot, not least of which is that being burned in effigy by Kim Jong Un is a good thing.

PANEL II | KOREA'S ROLE IN TECHNOLOGY AND TRADE

LEE Chung Min: Welcome to the Asia Society. Let me thank President Kim Gheewhan, a very good friend of mine, and Danny Russel for inviting us to this panel. This panel is going to be focusing on economic security and technology, an issue which I know nothing about. And that's why they chose me as a moderator to be as objective as possible. And it's also great to see old friends. Sue Mi Terry, I've known for a long, long time. And Daniel, of course. I've known Ambassador Ahn for I guess over 25 years. President Kim Gheewhan, you and I have known each other for nearly 30 years. Just gives you a ballpark figure of how old I am and how long we've been in this business. It was great to see also Allison whom I have not seen for many years. So, the topic that we just covered is politics and geopolitics, and what Korea will do. And before I go into this particular session, I just wanted to give two personal views on the issue. First of all, on Taiwan and whatever the ROK government does, whether it's the current government or whatever government comes down the road, I think domestic politics will play a critical role in how much Korea will help, either the U.S. indirectly or Taiwan directly, especially if it concerns the military aid. In other words, political issues will become really, really crucial in determining the extent to which the ROK can help the U.S. I hope they will, but I think it'll be dependent upon politics. The second thing is obviously, from an American perspective, you would want a Korean government that is really, I guess, keen on strengthening U.S.-ROK-Japan ties as it is happening now with the Yoon government and I agree with absolutely what the government has done. But the purpose of the alliance is not to make sure that favorable governments come in. It's basically making sure that you're able to maintain ties despite really wrenching domestic politics. And so, whatever happens after 2024 in the U.S. election, whatever happens to Korea after April 2024, we have critical national assembly elections, that will have a huge impact on how the alliance, basically, is maintained.

So, I really want to emphasize the enormous importance of domestic politics within the alliance system that we have talked about earlier. So, as we then shift from politics to technology, we have a number of really great speakers today. I'm not saying this because I'm moderating this session, because it just happens to be true. So, on my immediate right, whom I've just met, you can read her CV later on folks. Dr. Edlyn Levine is Chief



Photo (from left to right): Son Sang Soo, Lee Jaemin, Son Ji-Won, Edlyn Levine, Lee Chung Min

Science Officer and Co-Founder of America's Frontier Fund. She is a Harvard PhD in Physics. So, it just tells you that when she talks about, particularly defense-related technologies, she's not just talking from a policy perspective, but from a science and technology perspective. Right next to her is Dr. Son Ji-Won from KIST. For those of you who do not know what KIST is, KIST is the Korea Institute for Science and Technology. It was the first government-funded think tank founded over nearly 50 years ago.

SON Ji-Won: Yeah, it was 1966.

LEE Chung Min: Right. And at that time, I think it was under the Johnson administration, they wanted to provide a major loan to the Korean government to begin a huge initiative. And President Park Chung Hee at that time, amongst many options, said we have to create a science and technology institution. And many people in the government were against that because Korea at that time was basically a farming economy. So, they said how can you sustain this advanced technology institute. Anyway, so basically, what it has become now is Silicon Valley in one building. So, she basically heads the center within KIST that focuses on policy. On her right is Professor Lee Jaemin, he has several hats now. He's a law professor at the Seoul National University, an expert for economic security issues, and a watcher and practitioner of trade policy and economic issues for the last 25 years plus. Last but not least, the person on our far right is Son Sang Soo. He's the vice president of SK Hynix. And he's been in the U.S. for like 15 or so years. He probably knows Washington, D.C. better than any lobbyist in Washington. He really works closely with the U.S. government in many respects. And of course, he's the only one amongst the panel here who is interested in making money. So, this is after all, what Hynix and others are interested in. What I want to do is for the first round, just tell us briefly, and I mean really briefly, in like two minutes or so, what is the most important issue from where you stand as far as technology is concerned? Over to you.

Edlyn Levine: Very good question. So, I want to thank you as our moderator and all of you for being here. This is a very important dialogue, and our first panel really set up the national security framework for us to really build this technology conversation on. To answer your question, there are actually three trends that I want to begin with, the last of which will be the technology trend. But the first is understanding that now the world has changed to the point where the United States early in, you know, relations with opening to China had made the assumption that free markets would lead to free people. And we have for several decades been running on that hypothesis. And that has created a tremendous amount of global economic commerce, economic growth, technology growth, and has lifted hundreds of millions, if not billions, of people out of poverty. Right, it has been a tremendous tour de force over several decades.

But we now have a concern, as we've discussed in the previous panel, that in that economic rise of China, in particular, we have an economic and technology competitor, which is challenging the rules-based order that has brought about an unprecedented level of peace in the world. And that's a concern. And that the recent pivot on this challenge between the United States and China is, in fact, recent. That's over the past, you know, half decade, whereas multinational companies, right, U.S. companies, South Korean companies, Taiwanese companies, many of them have been going on this premise of deeper economic integration into China, with the blessing of policymakers, right, that this was a good thing. And now to have a sudden pivot, right, we need to actually work and open dialogue and discourse with how to shape the ensuing years to make sure that our interests from an economic point of view align with our interests and a values point of view for individual liberty, rules-based order, national sovereignty going forward. So that's the first observation.

The second observation, and this is projected onto technology, in particular, is that there is no such thing as a small country. If you look in particular with semiconductors, when we decide and define collaboration and policies around semiconductor trade, exchange of technology and ideas, there are countries that are relatively small that punch well above their weight. Right? And you look at the relationships that the United States is built with Taiwan, South Korea, Japan, the Netherlands, this is where this idea that this is a superpower competition, that China and the United States are the only countries that matter, absolutely thrown out of the window. The last observation, this is getting to the core of your point, which is the role that technology plays. I was very happy to hear your comments that the Korea Foundation is expanding the aperture to consider technology, because that is front and foremost in terms of what's at stake. Here we go. It wasn't my phone.

LEE Chung Min: It was definitely a Samsung phone.

Edlyn Levine: It was definitely a Samsung phone, definitely a Samsung phone. So, if you think it what's at stake with regard to technology and technology leadership, it is absolutely vital for Korea, for the U.S., for our allies who actually aspire to maintain these values of rules-based order, liberty, sovereignty going forward that we lead in technology. Because if we don't lead in technology, we will not be able to lead in values. And if you think our discussions about nuclear weapons, right, that was a watershed that was crossing the Rubicon in terms of creating a technology that fundamentally changed global policy for the future history of humanity going forward. Right? That was the first time where we really realized that technology and policy are interlinked

in a fundamental level.

Going forward, you think about, for example, digital technologies.

Are we going to, with increased digital integration, live in an

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authoritarian digital panopticon where we lose our liberty, where our data is not held in privacy, that we're monitored all the time? Or we are actually going to figure out as democracies how to make that integration healthy, how we're going to regulate appropriately, those emerging technologies? That's in the digital domain. What about, you know, the discussions about the Taiwan Strait? Mare Liberum, this principle of freedom of seas, freedom of navigation that has led to so much global trade? That also requires an ability to maintain a technology base deployed in the sea and South Korea with its shipbuilding industry plays a very, very critical role in that. When we think about telecommunications, the ability again, to integrate technologies that are not actively monitoring our dialogues and influencing our democratic discourse is important. You think about projecting into space. Is space going to become an increasingly contested and militarized zone or are we going to keep it as a peaceful zone for global commerce to grow? We think about the bioeconomy and the recent, you know, instances that we've had to deal with the pandemic. And we realized suddenly that technology is not just a side consideration, but it actually is front and foremost in this global emerging 21st century. I would say, competition that is emerging between different views for how the world should essentially organize in order at a fundamental level.

LEE Chung Min: All right, well, Dr. Son, I forgot to mention that. Edlyn, if I may call you so, she's a Harvard PhD, but she comes from a PhD from Stanford. Have you heard of the University Stanford? Anyway, Dr. Son, over to you.

SON Ji-Won: Thank you, Professor Lee. As Professor Lee kindly explained, I came from Korea Institute of Science

and Technology, called KIST, and that is the first government-funded research institute in Korea. The mission of KIST is always given by the government historically. And then when it was established, the mission was to save Korea from the poverty after the Korean War. So, at the initial stages of time, KIST planned for the heavy coal industry of Korea. It was KIST that made the master plan for the currently post-coal, which is the steel industry, the major industry in South Korea. The history of KIST, the research strategy of KIST is actually aligned with the research strategy of Korea in terms of the science and technology.

So, for now, currently, the biggest issue in Korea is, as Edlyn said, it's aligning the technology with the geopolitical policies and also, I mean, diplomacy and some other issues, defense, and so on. So,

that's why the President Yoon declared 12 National Strategic Technologies last October, and actually I was in this special committee to prepare for selecting these 12 technologies since last June. So, President Yoon inaugurated in last May. So, he started this work right after his inauguration. So, if you see our list of the 12 national strategic technologies, that's really in line with the technologies that Edlyn just said. And then you can find that they are, in that special committee actually, it was very interesting, because especially the committee that was organized by the Ministry of Science and Technology of ICT in Korea (MSIT) usually they just have expertise in the science and technology. But in the special committee, we have diplomats and also the researchers from the defense and also have some policymakers and so on. That means that they realize that these technologies are closely related to these entire whole societal structures, especially now.

So, the mission of KIST is always to follow or make the innovation in Korea's science and technology systems and also undertake frontier research there. So, we are focusing to make the breakthrough in the technologies that we are working on among these 12 technologies. We do not cover all 12 because there's a space or nuclear power in that 12. Also, we try to solve the problems as we are talking about the geopolitical issues here about the global value chains (GVC) and so on, actually the individual labs are also affected by this GVC. I just heard a lot on the Japanese-Korean conflict that started 2019, we had this restriction on the export of the core material from Japan to Korea, and actually my lab suffered from that one. And also, Ukraine war, I use the gas chemical that has the new gas inside and then the price just doubled, and then the shipment was just prolonged for a long time. So, on the research side, this is the kind of things that we are coping with regard to this crisis and so on. And now as the director of the policy institute in KIST, we are searching for the solutions, how we can make a breakthrough in these 12 strategic technologies.

LEE Chung Min: Thank you. Professor Lee?

LEE Jaemin: Thank you. Thank you, Professor Lee. I'd like to thank Korea Foundation and Asia Society Policy Institute for this opportunity. Great to be on this panel for technology and trade. Let me just underscore the importance of technology or technological alliance between Korea and the United States. Korea and the United States have, as you know, military alliance based upon 1953 Mutual Defense Treaty and now economic alliance based upon 2012 Korea-U.S. FTA. And now finally, technology alliance and the importance of which cannot be overstated, looking at what's happening globally, and between two countries as well. So, I think the alliance is now based upon tripod, if I could call it that way, or the trilogy of alliances is now going to a full-blown cooperation

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network between the two countries. I think this is what is meant by Foreign Minister Park in his opening address when he mentioned global comprehensive strategic alliances. I think this is what he tried to mean.

So, I think now United States and Korea are entering a really important stage for the relationship between the two countries and globally as well. I think national security is hot topic for any issue, the trade agreements, investment agreements, inward investment, outward investment, technology for every issue, national security is very important issue and a hot topic. At the center, I think economic security is situated so national security is hot topic and economic security constitutes the core elements of national security. And at the center of economic security, I think lies the core technology and core technology cooperation. So, technology cooperation between Korea and the United States is essential and indispensable for any matter of economic security dialogue, or for that matter, any discussion of national security between Washington and Seoul. So, in that respect, technology,

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core technology issues of dialogue between the two countries is critical and important. I think we are now in the right direction for many purposes.

Responding to Professor Lee's question, I think what is critical for now is this: we now have common understanding and shared understanding, but still, it's a little bit too abstract. Cooperation

is important, collaboration is important, dialogue is important. But next question is how and who? So, we have to think about carefully about the actual framework to move this idea forward for the next step. We have a couple of ideas already and we have a couple of existing frameworks. Well, it's outdated a little bit, but the Korea-U.S. FTA has many dialogue mechanisms and committees, subcommittees, joint committees, etc. They have many technological components. It's a time to revive and revitalize those dialogue schemes to include these technological components into those dialogues, number one. And number two, we have many agency-to-agency arrangements.

As previously mentioned, we have agency-to-agency arrangements between Ministry of Science and Technology and U.S. counterpart, and Ministry of Environment of Korea and U.S. counterpart, and Ministry of Defense of Korea and U.S. counterpart, etc. Those agency-to-agency instruments and arrangements need to be now updated and implemented in a way to keep this idea moving forward so that the actual practical cooperation on core technologies can take place in the near future.

And also, not only the existing framework, we can also think about future frameworks. IPEF can be one idea; it is still on the drawing board. We have just completed the global value chain pillar recently. But there are other pillars that can that can fold technology into the discussions. So IPEF could be another forum where the Korea-U.S. technological cooperation can take place. But the problem with IPEF is that it's multilateral, so there will be difficulties for Korea and the United States to have a difficult discussion on technology dialogue in that IPEF framework. So, I think perhaps we could think about bilateral framework. Well, recently, Korea and Singapore concluded digital partnership agreement and the United States and Japan concluded digital trade agreement in 2019. Perhaps Korea and the United States may think about concluding similar bilateral digital agreement where many issues can be included, particularly how to implement the core technology cooperation that was just agreed between the two presidents in last April.

In that respect, I think the next generation critical emerging technology dialogue has a great potential. It is to be handled by national security advisors by the two countries, which means it will be under the supervision of the presidents' directly. So that for the time being, that dialogue can be a meaningful tool for the two countries to think about core technology cooperation and collaboration, and how to move this idea forward. So that will be the first step for U.S.-Korea collaboration and cooperation in core technologies. Again, I think the importance of technology cooperation in the context of national security and economic security is so important. And the alliance of the two countries is now based upon how we can succeed in completing this core technology cooperation for the next decade or so. Again, I think honestly, whoever controls core technology will have the hegemony in the upcoming digital society, digital trade, or the digital economy. So that's why I think the core technology cooperation between Korea and the United States is so critical to the 70 year old alliance between the two countries.

LEE Chung Min: Thank you. Mr. Son?

SON Sang Soo: Yes. Let me share a couple of my observations from the kind of industry perspective, so leaving bilateral or the economy security topic. I think first, my observation is pretty much in same vein with what Edlyn mentioned because it's about supply chains. But you know, these days, we're talking about supply chain resilience and at the same time people talk about "shoring," "friend-shoring," but I think it's all standing on the opposite side of free trade. So, I think eventually we're going to see some decrease in the efficiencies, those efficiencies that you know, the whole industry, not just semiconductor, the whole world has been accumulated or built, you know, throughout the free trade system, so people buy cheaper ones, and people make stuff at a cheaper location. But once economic security kicks in, then not just the cost. So, people pick a location from different perspective.

So, the concerns, I don't have any solution for this observation, but the concerns that I have is these kinds of self-sufficiency the supply chain management on the basis of the economic security, reminds me like two kinds of potential worrisome situations. One is trade remedy cases. Because I've been in the industry for 25 years, my early years in the semiconductor industry, my main job was dealing with the anti-dumping cases, you know, anti-subsidy cases for the company, because that all those trade remedy disputes are coming from oversupply. But last 15, 20 years, I haven't seen any trade remedy cases in the semiconductor industry. I think it's, it's because, partially maybe mainly, it is an outcome of optimal allocation of the capabilities of the older chipmakers. But now, we're going back and you know, U.S. is emphasizing the importance of reshoring, then probably, we or they lose some of the efficiencies that we have built throughout the last couple of decades.

My worry is, I think we need to, or governments and industry needs to think about how to deal with oversupply situation comes again. And I think definitely we need to avoid those trade remedy cases among the like-minded countries. Probably all the reshoring or friend-shoring will happen in the countries called, so-called like-minded countries, then when those like oversupply situation comes, then I think you know, it's quite inevitable to receive those kinds of very time-consuming labor-requiring trade remedy cases, that's one kind of thing. And the second thing, because when people talk about economic security, and some level of governmental involvement is necessary, but that also reminds me some of my worries coming from the U.S.-Japan Semiconductor Agreement, entered in 1986. That is kind of an epitome of excessive governmental involvement. So, I think while we're achieving efficiency, at the same time, securing the national security and economic security, I think we have

to keep that in mind, so that the industry or the world do not repeat something like U.S.-Japan Semiconductor Agreement.

And then my next observation is about export control. It's not, you know, from the company's perspective, it's from the industry perspective. So, the reason I'm mentioning the export control is because, I think to improve or to enhance the efficiency in the international technology competition or collaboration, we have to have a very transparent and mutually reasonable export control system, because most of the collaborations, technology collaborations, require some kind of export control aspect. I think to do that, coming from my experience because when I look at the export control system of the major countries, I think there is no structure or procedural commonality. It's very different. So, it's hard to understand and then that means it takes more time to implement, and it takes more time to understand. So, the WTO (World Trade Organization) provides lots of common skeletons to anti-dumping, those kinds of stuff. So, many member countries have a very similar procedural kind of structure. I think that that helps improve the efficiency and innovation of the of the system. So, I think that's, that's one. And second, I see very few books about export control, very few classes, because I think we need more experts, or people who are specialized in that topic. I think that slows down the innovation in that specific topic. So, I think the deemed experts, people in the universities when they, you know, work together with professors in other countries, you know, always export control kicks in, but now it's very scattered around and that there's no commonality. I think once we achieved those kinds of commonalities, probably we see more innovation and quicker innovation in that area, eventually improve the efficiency in the international technology competition.

LEE Chung Min: Thank you. What I will now do is I'll ask you more specific questions concerning bandwidth in the sense that, is it possible to do all of the things we need to ensure that the ROK and the U.S. are able to forge a forward-looking technology alliance? So, on paper, it all sounds great. We're going to cooperate on semiconductors, on space, on biotech, the next pandemic, and the list goes on. So, my first question to you, Edlyn, is this—the U.S. is a superpower but China is catching up, whether it's on AI (artificial intelligence) or quantum or whatnot. My question to you is, as the U.S. seeks to maintain technological advancement vis-a-vis China, for example, can you keep harmony with your allies? How do you keep the interests of your allies, whether it's in the EU or in Asia, so that you are able to maintain this global coalition as you compete head on with China?

Edlyn Levine: That's a fantastic question.

LEE Chung Min: You have like a minute and a half to answer.

Edlyn Levine: Putting me on a very rapid cadence here. So, I think that the success of technology collaboration with, with Korea, with allies that also achieves the outcome that we seek with regard to the perpetuation of a rules-based order, which I think is the crux of what you're asking here, really is going to come down to an ability for democratic nations to again, get this, what we had talked about before, alignment between our private capital markets and our values. And that's where the technology also fits directly within that because if you don't control technology, you can't control the values. This also gets into aspects of economics, right, which you're talking about, you know, when we think about, for example, policies like export controls and how they impact the economics of our companies. That's, that's a very, very big aspect to consider. So, the answer here is not going to be trivial, but I think that the nature of technology collaboration between the U.S. and its allies is going

to require both, at the foundational level, of science, right, actually bringing scientists together and, to some degree, you know, for scientists, what's wonderful, you know, we grew up speaking different languages, but we learn the same language when it comes to science. Right? Many scientists have this desire and ability to speak this language to each other to actually pursue the frontier of knowledge. This is the attraction that we had to joining, you know, the scientific workforce to begin with. It is that we really, you know from the standpoint of humanity, we get to be the architects of science fiction, right that we make science fiction a reality to a degree.

But when it comes to then the economic impacts, that's where you start getting into the politics. That's where you get into the force projection. And to some degree, what I would like to see, right, more of in terms of the technology collaboration between the U.S. and South Korea, in particular, but I would say the U.S. and its allies, in general, is to actually solve a bit more of this problem of how you take a good idea once it's actually proven out from a scientific point of view, and actually projected onto A) economic outcomes for frankly democracies and B) reflecting the values of those democracies. And I think that this is the area that we have not done as well as we should. Right? And to some degree like you know, the mention of WTO, to some degree, the U.S. has faced a challenge in the sense that the very rules-based order that we helped architect of which the World Trade Organization is a part, we have seen a single player, in particular, leverage non-market forces in such a powerful way to capture the economic value of our innovations, and then use that potentially as a force, an economic force, to achieve political outcomes, which is frankly unacceptable and the rules-based order has not been able to respond quickly enough to those aspects.

You know, so this very specific example that I'll give is rare earth minerals, right. So, if you're familiar Yttrium as an example, China controls 99% of global Yttrium. How did that happen? You look at the history behind this and at a certain point, you know, China was producing the raw minerals in raw ore in which you could extract the rare earth metals, but the Chinese government actually put an export tax on that raw mineral for Chinese companies to send it and outsource it for higher alloying and refinement. The reason they did that is they wanted to encourage their domestic industry to increase their value chain, so that they would start doing that refinement inside China itself. This violated WTO laws and the United States and a number of its allies sued within WTO, maybe 12 years later or something it was resolved. I don't remember the exact timeframe. At that point, China had already captured the market. And so, this is a real challenge. And so, when you ask, "What should the U.S. seek to achieve in terms of technology partnership with its allies?" It is at the foundational level of collaboration, scientists with scientists, it is also then at the level of how is it, as democracies, that we continue to capture the value of the fruits of our scientific labor from an economic point of view, and then also from the ability to ensure that those technology outputs reflect our values. And if we're not able to figure out how to do that we won't be successful and I think, this is just also my opinion, I think the United States would have a lot to learn from South Korea in this.

Just another example. If we think that the, you know, for example, projection of climate change is important, we need to figure out sustainable energy sources, the U.S. could learn from South Korea, how to actually sustainably build a profitable value-generating nuclear fission energy sector. South Korea is the only country, the only democracy, that has been able to figure out how to do this sustainably. So, you know, that's one of many, you know, semiconductor manufacturing, frankly, is another area. We have a lot to learn from in terms of actually being able to manufacture in such a way that, you know, is compliant chemically, and environmentally, etc. So,

those are just ideas that I would put forward in terms of how the U.S. could do this.

LEE Chung Min: I'm going to come back to you, Edlyn, because you went over a minute and a half. But there's an implicit assumption that scientists have a common goal or innate commonality, but political elements are crucial. And so how, for example, the U.S. government defines technology superiority doesn't always jive with what the Japanese or the Koreans or the French think, right. My question to you, Dr. Son, you work for a Korean think tank that's government-funded. But why is it that Korea doesn't have you know, SpaceX type of companies? Of course, Hanwha is an aerospace. What I'm asking you is of the 12 or so critical emerging technologies that the Korean government has now focused on for longer term survival, how much of that is going to be dependent

on people like you or how much of that is going to be dependent on people like Mr. Son and others in the private sector? In other words, where does Korea's future innovation come from? Does it come from government driven R&D (research and development), or does it come from the private sector?

SON Ji-Won: Oh, actually, that's really an important question.

LEE Chung Min: You have also a minute.

SON Ji-Won: So, as he mentioned, I think that he is implying that Korea has been very strong in science and technology development because we had very strong government leadership in the R&D fund. So, as I mentioned, they kind of have this plan

for the science and technology for every five years and then they kind of get the opinion from experts and then that this is the next goal that we have to go. So that was initially steel industry, cement industry, and so on in the early, I mean, the mid-1900s. And then after 1980, we had this fast follower strategy, so we mimicked the advanced technology of the U.S., and Japan, and got the technology into Korea.

The thing is that like after 2000—we had good scientists actually get very well educated outside of South Korea, and they came back to Korea. I mean, surely initiated the key source of scientists coming to Korea. But after 2000, we have this long sum-up the scientists who are, who are very well educated from the advanced countries and then they started to create the creative research which is like work first, work best or something like that. And then that area, that era, actually the government leadership is getting a little bit defective, I mean effects of the influence of the government leadership is a little bit stripped down. But the thing is that like for the spaceship, big science, and so on, we still need very strong governmental leadership and also we need very huge fund. But like after 2000, like Korea science and technology landscape changes to, like they spread the money to the basic science a little bit more, and that kind of increased the creative thinking and researches and so on.

And then also, we have this strategy to have selected, to concentrate our research fund to some specific research area, especially for the government fund. But space was not the first priority, I will say. Now we are catching up. So, we have this successful launching of Naro-1 and so on. So, I think now, the mood is already again changing because we are talking about strategic technologies and then also about the politics and democracy, and then also the collaboration with other country like-minded, and that also we have to, we have to deal with the current relationship with China as well. In that case, actually, the government leadership is gaining importance, recently

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more I would say. So maybe the policy in that direction will come into the picture, I will say.

LEE Chung Min: I want to come back to you and ask you a specific add-on, which is if you look at Korea's demographic projections, it's terrible. It's horrible. We're falling off the cliff.

SON Ji-Won: Right.

LEE Chung Min: And we're aging super-fast. And so, the fastest rising budget is social welfare and education. Right? And our pension funds are going to basically go like not exist unless you reform it. So where do we get the money to innovate and create better R&D value, but I'll come back to you a little bit after this. Right. Professor Lee, I know that you are a lawyer by training, and you have this economic portfolio. That all sounds really terrific, because I don't know anything about the topics that you're an expert in. But my question to you is, as the government makes key choices on emerging technologies, the problem is everyone from the top, president all the way down, none of them are really technology experts. So, if you have to go in and tell the president, "Mr. President, this is AI, this is quantum, this is new biotech, this is new, hydro energy fuel, etc." And they've got to make really crucial decisions, investing billions upon billions, right? What do you do to educate policymakers on the critical arenas of technology?

LEE Jaemin: That's a very difficult question. Well, one minute and a half, very difficult question. I think the problem for decision-makers at this juncture is this: what you mentioned now is the complexity of technological issues, which is, of course very complex. But now, when we talk about technology alliance or economic security, we are adding one more layer on top of it, which makes the issue more complex. For scientists, it's very complex now. For lawyers, it's a new terrain. For economists, I would say it's also a new landscape. For everybody, this is a new terrain. That's why I guess everybody struggling and that's why, again, the advice from the advisors to the decision-maker, be it the president or prime minister in other countries, is very critical. That's why I think the role of the next-generation core technology dialogue is important. That should be the liaison connection, who can talk to the scientists, who can talk to foreign ministry officials, who can also talk to defense ministry officers, somebody needs to get hold of all this. And then somebody needs to know about the technology, what core technologies are, what is the strength of the United States, what Korea can do about it. And then there is a foreign policy component. And then there is military issues coming in as well. So, somebody needs to, not entirely. He doesn't have to be lawyer, he or she doesn't have to be the scientist but somebody needs to know all these issues together, combine them together, and converge all these issues together and then make a wise policy decision.

LEE Chung Min: You've just described ChatGPT.

LEE Jaemin: Somebody who can monitor ChatGPT.

LEE Chung Min: Alright. Okay. Mr. Son, I mean, you're from the private sector, from SK Hynix, one of the premier semiconductor makers of the world, in fact. Now, of course, companies are now in the front line of this technology war, whether you like it or not, right? You are not there at your own will but you're there now because of the U.S.-China trade war or technology competition. The list goes on. At the same time, however, whose responsibility is it that you're so dependent upon the Chinese market? In other words, I go back to Edlyn's initial question, the whole idea that China will basically become this super big, nice Hong Kong has actually gone reverse. Hong Kong has become a small China, right, rather than the hope that we all had that China would

become a large Hong Kong. And so, from your perspective, as you begin to look into new markets and lessen your dependence upon the Chinese market, where do you go? Besides India.

SON Sang Soo: Yeah, because you know, we, our product doesn't go to the consumers directly, because we it's mostly B2B (business to business). So, we sell our product to the big, big companies like Google, Apple, and also, you know, some big companies in China as well. I don't think company has any intention to like control or allocate the markets. I think we go where the customers are located. But, under the U.S.-China disputes and relations is getting worse. We saw lots of new regulations and restrictions and sanctions, but I think they have not yet affected the selling side much. Most of the export controls, those new sanctions and regulations affected manufacturing side of the industry, but because China, they need phones, laptops, so it's all consumer product. So, I think U.S. government and also Korean government are very careful about trying to be very surgical in their efforts to improve national security and economic security. So, you know, we haven't tried or thought about, you know, like finding another market instead of China because it's physically literally impossible because they need chips, and we have to sell them. But if there is any concern to certain like specific companies in China, in anywhere, I think each country has, you know, like sanction program, so that they can designate certain companies, then, you know, we can we have to be 100% in compliance with the sanction, so we cannot, like Huawei. I think it's public information that, you know, no one is able to sell any semiconductor chips to Huawei, because most of the, probably 99, almost 100% of the semiconductor chips are using some of U.S. technology. So, then you know, the FDPR (foreign direct product rule) applies there. So, but other than those specific surgical restriction, I think we are still you're free to, you know, navigate the Chinese market, and it's our role and job to, you know, to increase the revenue and serve the shareholders. Right. So, yeah, I think that's my answer.

LEE Chung Min: All right. I think we have time for a few questions. Yes, sir. Please make it short. Yes. The gentleman in the back.

Audience 1: Thank you. It's a blessing to hear from you all. I wanted to make a short is a question for you, because the Carnegie Endowment wants international peace and security convergence. So, I think it's a good dream to have. Can we just put all the 12 emerging technologies into multinational funds that invest in them? I don't who, when, or how somebody's going to do it. But I know the why. We all want global peace, we don't want war. Similar to what you asked Professor Lee. I have a bit of Korean blood a bit of Chinese blood in me, so it's really tricky, this world to navigate. SK is really a family since a long time. So yeah, that's a question for you. Thank you very much.

LEE Chung Min: All right. We'll take. Yes, sir.

Audience 2: Question about the innovation ecosystem in Korea. Venture capital, how effective is it there? How big is it? Or is it only big corporations innovating and if there is any sort of open innovation relationship between smaller companies and larger companies? Thank you.

LEE Chung Min: Did you have a question? No. All right. Yes, two gentlemen in the back, and then we'll end it then. Okay.

Audience 3: Vice President Son, you brushed by the question of a Plan B. We well know from the Ukraine what happens when one big power invades another and war breaks out. What is SK Hynix going to do if something happens in the South China Sea, in the Taiwan Straits, the East China Sea? What's your plan?

LEE Chung Min: Yes. Finally, last question. The gentleman in the corner.

Audience 4: Thank you. So, there was a lot of talk about investing toward the future in core technologies. But maybe there are some technologies that are so disruptive to the economy and to culture that we can't invest our way out but we have to actually regulate. So, this could be for example, the Korean content production industry, which is potentially totally undermined by generative AI and the training on intellectual property. So, what kind of regulatory approaches are you seeing to some of these emerging technologies in Korea, and how do you see that playing out?

LEE Chung Min: Thank you. Dr. Lee, I want you to answer the question that was asked to me. Why? Because it's too difficult as a moderator. So, you have to answer that question. Do we need a global funds to generate innovation and Korean R&D? Plus, do we need more regulation or less?

LEE Jaemin: Thank you. Well, thanks. Thanks for the question. Well, funding is an issue. Of course, we can think about getting, you know, private funding, or a government-private mixture, that mixed funding. So, we can think about many different ways. But I think, at least for now, any funding issue should be dealt with by the government side. So, when we talk about the collaboration and coordination [and] cooperation—it should be government-to-government cooperation, and companies-to-companies cooperation, and there's government-companies cooperation as well between two countries. So at least at the end of the day, we need funding from the private side, at least mixed funding between the government, public funding, and private funding. But for now, at least, to get these activities started, the funding should be should be formed from the government practically speaking.

With respect to the questions for the intellectual property protection for certain contents in the Korean market, as we have more exposure to the digital contents, intellectual property protection is a big issue everywhere, particularly in Korea. So, Korea is now amending domestic laws and regulations recently, and they are all geared toward protection of IPRs (intellectual property rights) in the Korean market. And more importantly, Korea is more now focused on protecting Korean contents abroad as opposed to the enhancement of protection of the foreign contents in Korea, which is of course the legal obligations for Korea. But now the Korea's focus is to how to protect the Korean contents in other jurisdictions. So that is the regulatory change. Less regulation? More regulation? I think we have to find the balancing point.

There is a problem of more regulation, as Vice President Son mentioned, as the governmental intervention and support gets higher and deeper, there is a problem of stifling innovation and competition in the market. I think that's the fundamental problem of exploring this cooperation between the public side and private side. So, overregulation is always something that we should caution against. With that, I think, at least some balancing point for proper regulation is critical. And that is also one element of Korea-U.S. cooperation. Korea has adapted many new regulations for ICT (information and communication technologies) companies. I understand that there are concerns from the United States for the new regulation of Korea on the ICT part. So, they are something that two countries can cooperate and discuss to find the right balancing point for proper regulation.

LEE Chung Min: VP Son on Taiwan. You should really talk to Allison because she knows all this stuff. So.

SON Sang Soo: Right after your question, I still think about it. You know, what could be the right answer, but I think it's well beyond Hynix pay grades. The potential disruption in the Taiwan Strait and what's our plan or strategy? I think it's not a matter that one company can prepare. I think it applies to all the companies in the

world. I think there is a possibility. It is what it is. So, I think company is trying to, I think I would call it like “strategic equilibrium,” maybe, you know, like all the like right allocation so that in case of any disruption not just in Taiwan, anywhere, you know, trying to protect our own supply chain and operation efficiency. But we haven’t, maybe somewhere, you know, some people at HQ is still thinking about it, but I think, you know, to my understanding, we never had that, you know, we never had discussion about that specific topic, you know, how to deal with the potential disruption in the Taiwan Strait. So, but I think to achieve overall efficiency of the company’s operation, I think that’s one element, but I don’t think, you know, we can come up with any robust plan to deal with that kind of that big, you know, disruption in that in that reason.

LEE Chung Min: Well, this change, this tells you how much the world has changed. We have a businessman talking like a diplomat. Last but not least, I want to give the final two words to our two scientists. So, Dr. Son, what is your final thought on managing and growing and sustaining a U.S.-ROK technology partnership or alliance?

SON Ji-Won: Well, all for the global corporations, my philosophy, personally, is that if you have the same expertise, then you two become very good friends, but there’s no innovation. So, you should have expertise in the complementary way. For example, I’ve told you that Korea was suffered from the Japanese ban export for the core materials, or at the time like we had learned a really costly lesson. So, we actually developed our own material domestically. I thought that was possible in Korea, because we have this main manufacturing capability. We still have this capability, but we didn’t do that because of the cost of effectiveness. But we still possess it. And now the U.S. have material and they always have a lot of advanced science, fundamental science, every aspect of spectrum of the world, especially AI, quantum science, like they are like have like really, really big leap ahead of other countries. And if we collaborate, if we want to collaborate and make a really strong collaboration, then we need to find which is the complementary part that we can collaborate and make the synergy together. So, I think this is really important for us to find out, especially for the scientists because scientists we are always open. We communicate a lot and we’d have like discussion over the conference. And then sometimes like they refuse to publish the papers and the articles that is now open to the public. They have this open platform for some of the publication. So, I think we have, we want to do that. But as you, as you said, now’s the era that we need maybe some of the regulation for some technologies already, also about the collaboration, we need some boundary conditions as well. I don’t think naivety really help for the era like this present situation.

LEE Chung Min: Edlyn, you have the final word.

Edlyn Levine: Oh boy, that’s big. First and last, I’ll try to bookend this. You know what I might add to the dialogue actually is yes perspective as a scientist, but also now as an investor. So, these discussions about investment, you know, creating funds and, you know, startups and so forth. You know, one of the most important aspirations on the part of scientists and technologists, yes, there is the frontier of discovery, but there’s also taking what you have discovered and building something new, right? When you are an entrepreneur, when you’re a founder of a new company, you fundamentally have a different vision for the way the world works, right? We’re all going to drive electric vehicles, we’re all going to, you know, have, you know, I don’t know space tourism or things like that. You have a different vision for the way that the world works. And I think that, together for the United States, for South Korea, this idea of enabling our visionary creative class to actually take their innovations and move them across what is typically called the “Valley of Death,” right? From where you actually have made that first

breakthrough and where you actually have commercial reality and market traction.

And this is one important ingredient which we've underemphasized, I think, on the panel, which is access to risk capital, venture capital, and the right type of venture capital. I'm not only talking about venture capital that's investing in the next dog walking app. I'm talking about venture capital that's actually invested in the types of technologies that are foundational, frontier technologies that are the foci of both of our countries and that can actually enable that type of scaling. And you know, the United States has a long history of this. I've seen with South Korea an incredible rise in terms of venture capital investment. I think, you know, South Korea hit 20 unicorns and counting, you know, something tremendous. And so, as we think about this, there's been a lot of concern and, you know, issues that we've raised on both panels, you know, many things to be concerned about. But perhaps to close, what I would say is don't forget about the optimism, about the dreamers about those in our countries and societies who are trying to build a better future for all of humanity, and let's collectively figure out how to invest in and enable them.

LEE Chung Min: I think those are really, really wise words.

Let me, once again, thank the audience as well as our online audience who are going to be watching this either today or in video format. My final comment is this. You know, 70 years ago, if somebody told me or told someone who was older than me, you know, in the year 2023, a Korean company or many Korean companies would invest billions of dollars and build factories in the U.S. on super high technology. You would have been like

laughed out of the room, but 70 years later, that's reality. And that happened, because, precisely, the U.S. actually supported us throughout the war and after the war and created, in fact, you paid money to create KIST. So, it really is a complementary relationship that really has come full circle. And so, I think managing that full circle in the next 20-30 years, as geopolitical tensions intensify, really means that we need really smart diplomats, better analysts, corporations who are able to make markets function in a very different way, policymakers can know technology inside and out, R&D folks who are really able to work in the private sector, and of course, venture capitalists who are not all that hungry, but also are mindful of, you know, humanity in general. So once again, ladies and gentlemen, thank you for your attention and of course, our panel.

Don't forget about the optimism, about the dreamers about those in our countries and societies who are trying to build a better future for all of humanity, and let's collectively figure out how to invest in and enable them.

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