The Korea Economic Institute of America (KEI), with the generous support of the Korea Foundation, organized six “Vision Group” roundtable conversations with leading American scholars and commentators to discuss the United States’ relationship with the Republic of Korea. The first was held in December 2019, the last in November 2020. The intent was to consider the future of relations during a time of change. The Vision Group comprised a wide range of expertise and opinion. This record conveys some of the insights and recommendations that arose during the conversations. It should be read neither as a consensus of opinion among the Vision Group meetings’ participants nor as a reflection of KEI’s views. Specific recommendations are noted throughout this report and appear in Annex A. Participants are listed in Annex B.

Summary

Relations between the United States and the Republic of Korea remain strong with broad public support in both countries. There has been, however, growing need for a strategic review of their future alliance and relationship due to changes in the regional environment; as U.S.-Chinese relations enter a troubled period; and as security and economic relationships evolve among the countries of the Indo-Pacific region.

The attention devoted to the United States’ and South Korea’s relationships with North Korea has somewhat overshadowed South Korea’s identity as a powerful, technologically advanced country with strong democratic values and globally attractive soft power, gained through its well-known commercial brands and cultural exports. Shared values and common challenges—such as climate change and adaptation to advanced technologies—provide a foundation for productive future relations between the United States and South Korea. Long-standing people-to-people relationships also serve as an enduring basis for friendly ties.

Nevertheless, the United States and South Korea face coming policy choices that may bring them closer together or push them farther apart. There is unlikely to be a crisis in the relationship, but it would serve both countries’ interests to work even more closely during the Biden Administration. There will be disagreements—as there are in any complex, mature relationship between countries—but both governments should take care that they not stem from misunderstandings or inattention and that they be kept in proportion to the overall value of the partnership.

One short-term challenge will be to ensure that policy coordination towards North Korea continues. The United States and South Korea share common and complementary interests
regarding North Korea. It should be possible to arrive at a common approach through active consultation and flexibility. It would be more difficult for either country to achieve its goals regarding North Korea if they take differing approaches.

A medium-term challenge—or opportunity—will come from the Biden Administration’s return to multilateral diplomacy in the Asia-Pacific region and to its renewed emphasis on human rights not only in North Korea but in China. During the four years of the Trump Administration, Korea operated within the environment of President Trump’s preference for bilateral diplomacy and for transactional relations over the promotion of values. President-elect Biden has said that he not only intends to resume multilateral cooperation and adherence to international commitments but will rely on them more heavily to promote U.S. interests. The Biden Administration will seek to enlist South Korean help in forming multilateral networks.

It has been crudely put that South Korea will have to “choose” between the United States and China, but this grossly over-simplifies a complex policy environment to the point of being misleading. All countries, including the United States, will cooperate with China where possible, and resist China when it impinges on their interests. There is not one choice to be made, but hundreds of policy decisions, large and small.

A still over-simplified but more accurate way to describe South Korea’s policy choices will be whether it will lean towards a “hedging strategy,” to be among countries that are more accommodating to China’s preferences, or whether it will be a fuller participant in a collective “shaping strategy” to nudge China towards rule and norm-based behavior. In regard to multilateralism, the old distinction between security and economic frameworks is becoming irrelevant because the lines between defense and commercial technologies are blurring.

The world is changing, not least because of the 2020 COVID-19 pandemic and its aftermath. The United States and the Republic of Korea cannot avoid making fresh policy decisions and should not take their alliance and relationship for granted while doing so.

1. U.S.- Korean Relations Today

There is a general sense in the United States that its relationship with the Republic of Korea is healthy and strong. This belief has been supported by opinion surveys over the years and up to the present. However, American general attitudes towards foreign policy have changed, whether as the result of Trump Administration policies, or whether they were part of the reason American voters put Donald Trump into office in 2016. Some populist, “America First,” sentiments will persist although President Biden will be more inclined to factor them into his policies rather than to actively promote them, as did President Trump.

Donald Trump’s grievances over “free-loading” allies who do not pay their fair share of defense costs, and his description of the trading system as rigged against American companies, found support among a U.S. public that has experienced the disadvantages as well as the advantages of globalization, and that has become ambivalent about whether the greatest threat to the United States comes from Russia, China, Iran, North Korea, transnational terrorist or criminal groups, or
pandemics and climate change—or whether there is any international threat worth paying attention to at all.

With the Cold War salience of the Korea War receding into history, both the United States and South Korea have become more transactional in their relations. The United States has sought an increase in South Korea’s financial contribution to defense and concessions in trade. South Korea has sought U.S. support for opening North Korea and the economic benefits it hopes to achieve from inter-Korean cooperation. Furthermore, the entanglement of foreign and domestic policy in both countries has obscured the larger benefits of partnership.

It is the very strength of the U.S.-ROK alliance, focused on the decades-long threat from North Korea, that has permitted both governments to feel less need to cultivate other aspects of their bilateral ties. [Recommendation 1: Now would be a good time for Washington and Seoul to undertake a strategic review of their future alliance and relationship.]

North Korea

North Korea remains the United States’ and South Korea’s preeminent shared area of concern because of the gravity of the risk that it poses. There are differences of opinion between the two countries regarding the best ways to deal with North Korea, but the same differences are also debated within Seoul and Washington. Diplomacy with North Korea has always involved difficult questions without easy answers.

There are two tracks of diplomacy with North Korea: the inter-Korean track and the U.S.-North Korea track. Both have been stalled since the failure of the February 2019 Hanoi Summit between Donald Trump and Kim Jong-un. [Recommendation 2: It would be useful to conduct a thorough post-mortem of what actually took place in Hanoi and whether any part of it might still be built upon.] Public accounts of the meeting may not contain the whole story.

North Korea apparently was surprised by the failure of the Hanoi Summit and afterwards said that it would undertake a “new approach,” but it has not taken any significant new steps, suggesting that it, too, is stymied as to what to do next.

North Korea’s problem is that its economy is broken. Even if all sanctions were lifted, its fundamental economic problems would remain. [Recommendation 3: An in-depth conversation between Washington and Seoul regarding what type of assistance would help North Korea, what it might be willing to accept, and which countries or organizations might be best placed to provide it, could help determine a diplomatic way forward.] Lifting sanctions would be difficult to manage because they are built on a complicated set of overlapping legislative and legal bases.

Small steps may be the best way to restart diplomacy with North Korea and they might start with topics other than denuclearization. The eventual goal of denuclearization should be retained, particularly because that is long-standing North Korea policy as well. Talks may fail if they reach too far, too fast for a detailed nuclear inventory or an inspection and verification regime. Even if
negotiations are protracted and discouraging, they nevertheless can reduce tensions and the chances of a catastrophic mistake.

[Recommendation 4: Even in the midst of urgent and competing priorities, the Biden Administration should act quickly on North Korea to prevent Pyongyang from setting the stage by creating a crisis, as it has in the past.] President Biden should appoint an interlocutor in whom North Korea would have confidence. He should also convince Kim Jong-un that he has support in Congress for his diplomatic initiatives. North Korea has never known how much to trust U.S. executive branch commitments.

[Recommendation 5: One new approach might be for the United States and South Korea to make a joint, public offer to North Korea including both demands and concessions.] This would have the benefits of giving North Korea something to react to; would show the world that the United States and South Korea were actively pursuing a diplomatic solution to North Korea denuclearization; and would demonstrate that Washington and Seoul were working closely together.

The North Korean nuclear program is only a symptom of underlying tensions on the peninsula and in the wider region, some of which lie in unresolved issues from World War II, and some of which are even older. A sustainable peace regime on the peninsula will negate North Korea’s claim that it requires nuclear weapons to feel comfortable within its neighborhood. The United States and South Korea will need to cooperate on a long-term effort to promote stability in Northeast Asia.

2. Multilateralism and a Changing Regional Environment

One notable change under the Biden Administration will be a return to multilateral diplomacy. The United States in the past has valued bilateral relations with friends and allies, but also has initiated or promoted groupings such as NATO, the Organization of American States (OAS), the OECD, the OSCE, and the EU. Either participating in, or enthusiastically working with, multilateral bodies has been a hallmark of American post-war diplomacy. This has been less apparent in the Indo-Pacific region than in Europe, although the United States has supported ASEAN and worked with Asia-Pacific Economic Cooperation (APEC), among other organizations.

The Biden foreign policy team has signaled that it will not only resume previous multilateral diplomacy but will enlarge and accelerate it. President-elect Biden has specifically mentioned climate change and global health security as appropriate areas for multilateral cooperation. There are built-in advantages to multilateral approaches: they tend towards efficiency and economies of scale in comparison to separate bilateral agreement; they can apply peer pressure to member states to honor their commitments; and, the United State hopes, can reduce leadership demands upon it. In the words of one Vision Group participant, “The United States will want to push the boat out into the water and will want our allies and partners to do the rowing.”

The rise of middle power diplomacy in the Indo-Pacific area has changed the region over the past four years. U.S. withdrawal from the Trans-Pacific Partnership (TPP) and a lack of Presidential
commitment to regional forums created a multilateral vacuum during the Trump years. It was filled principally by Japan and Australia through their efforts to carry through with making the TPP a reality even in absence of the United States. The two countries did not trumpet the success of the Comprehensive and Progressive TPP (CPTPP) out of concern for irritating the Trump Administration, but it was a notable achievement.

The new impulse towards regional networking seems driven by several factors: the Indo-Pacific area has become more economically integrated and interdependent; countries face common transnational challenges such as climate change and cyber criminality; global communications make countries more aware of each other; and the rise of China is seen throughout the region (and beyond) as posing common challenges.

China

The rise of China is a positive development. It has provided an engine for global economic growth and lifted millions of Chinese people out of poverty. However, its increasingly repressive internal regime and China’s disruptive behavior on the global stage have disappointed those who hoped that China would, over time, introduce internal reforms and become a more responsible international actor.

China’s unilateral territorial claims and militarization of the South China Sea, refusal to treat trade and investment in a reciprocal manner, industrial espionage, pressure on countries to mute their criticism of China, and its economic pressure on South Korea and Australia have provoked a global counterreaction. The EU in particular is reassessing its policy towards China in the wake of China’s assertive behavior and will be releasing a report on EU-China relations in 2021.

China has described increasing tensions as a bilateral problem between the United States and China, brought on by a U.S. desire to block China from assuming a more influential role in the world. This narrative generally has not taken hold in other countries. China overestimated its appeal and underestimated the importance many countries attach to a rules-based order and behavioral norms. Even internally, there is opinion in China that Xi Jinping has irresponsibly provoked the United States and is overreaching internationally. Some Chinese commentators privately say that U.S.-China relations have become a scapegoat for domestic problems that the Chinese Communist Party has been unable to solve. Chinese leadership may not want to ease tension with the United States if it serves domestic purposes.

The United States is not immune to using the U.S.-China relationship for its own domestic political purposes. But beyond the political posturing, bipartisan attitudes towards China have in fact been hardening. The Biden Administration has signaled that it wishes to cooperate with China where it can—particularly on global challenges such as climate change—but will defend American economic and security interests. The Biden Administration will also take a renewed interest in human rights issues. Protecting freedom of navigation will remain an important element of U.S. foreign policy. Relations with China likely will be the United States’ central foreign policy issue.

The Blurring Line Between Economic and Security Issues
The old distinction between regional security arrangements and economic frameworks is becoming irrelevant as security and technology have merged. The point of regional economic cooperation is no longer simply to reduce barriers to trade and investment. Control of sensitive technologies, securing supply chains for essential manufacturing, regulating digital trade, and protecting data and privacy have become national security issues. Because information technologies reside in the private sector in market economies—in contrast to their traditional defense procurement processes—the mechanisms for international cooperation on advanced technologies are underdeveloped and will need to be different.

As a global leader in technology, Korea could play a large role in coordination among like-minded countries. Korea’s leadership on 5G networking would be particularly important as it is a cross-cutting issue involving technology, trade, and competition. Korea will demonstrate for the rest of the world how 5G can be adopted as a general-purpose technology.

One shared objective could be to modularize network systems to ensure that no single system, such as Huawei’s, can become dominant. It is not enough to object to Huawei’s competitive advantage and the dangers it may pose; a reasonably priced alternative should be made available. This is an area where cooperation among like-minded countries to increase the number of competitors would be beneficial. By contrast, a project to create a new semiconductor would be a decade-long “moonshot” effort which would be aided by combining the resources of companies and countries.

**[Recommendation 6: Because information regarding sensitive technologies has proprietary value for the private sector and importance to national security, it would be useful to institute a technology information sharing agreement among trusted, leading countries.]** This would be similar to the “Five Eyes” system that has long facilitated the sharing of classified security information. South Korea would be a natural member of such a group.

Another area where economics and national security have merged is in state economic retaliation. China has cut off exports of rare earths to Japan; acted against South Korea companies, performing artists, and tourism; and imposed prohibitively high tariffs on Australian exports to China, all based on political motives. China has officially denied doing so—presenting excuses such as health inspections, consumer choices, and countervailing duties—while making clear the actual reasons for its actions, displeasure with legitimately-based decisions taken by the three countries.

The question to consider is whether the target countries of Chinese economic retaliation would better resist it by dealing with China on their own, or by a cooperative effort. **[Recommendation 7: South Korea and the United States should discuss the issue of Chinese economic pressure with countries of the region to consider whether a coordinated response would be appropriate.]**

**Hedging or Shaping?**

It has been crudely put that South Korea will have to “choose” between the United States and China, but this grossly over-simplifies a complex policy environment to the point of being misleading. All countries, including the United States, will cooperate with China where possible,
and resist China when their interests are threatened. There is not one choice to be made, but hundreds of policy decisions, large and small.

Americans perceive South Korea as having pursued a “hedging strategy,” relying on the United States as a security guarantor while conducting a pragmatic relationship with China. China has great economic importance for South Korea, is a necessary partner for dealing with North Korea, and will always be geographically nearby. Like other countries in the region, South Korea over time has avoided engaging in actions that would unnecessarily antagonize China. However, as South Korea has risen to become one of the world’s ten largest economies, and an exemplar of soft power, expectations regarding South Korea’s ability to influence China, rather than only being influenced by it, have also risen.

As noted above, there is a trend towards global and regional coordination among like-minded countries to shape China’s behavior. The motivations behind a “shaping strategy” are not to create a break with China, but to nudge China towards constructive behavior—which would benefit China itself. [Recommendation 8: Coordinating with like-minded countries on shaping China’s behavior would put South Korea in good and broad company.]

It is not only China’s policy that can be shaped. Coordination with Japan, Australia, and other countries could help South Korea shape U.S. policy, as well. One of the useful restraints on the United States’ taking an excessively hard line on China is that its allies and partners in the region have the ability to influence it, particularly if they work together.

3. South Korea’s Evolving Identity

The image Americans hold of South Korea is changing and remains undefined. For an earlier generation, Korea was associated wholly with the Korean War. Subsequently, Korea was thought of in terms of the “Miracle on the Han,” as an economic success story and growing trade partner. The current generation of policy makers in Washington may not appreciate that for the next generation, South Korea is a cultural force, an online gaming superpower, and a peer in terms of the Fourth Industrial Revolution, 5G, artificial intelligence, and now in public health, thanks to Korea’s successes in dealing with the COVID-19 pandemic. Increasing enrollment among students who wish to learn the Korean language is a sign of Korea’s significance for America’s next generation.

The cultural facets of South Korea’s evolving image have implications for the “meaning” of South Korea and expectations regarding its behavior. K-pop is seen as the product of an open and free society, reflecting well on South Korea. The Korean movie “Parasite,” which won the first Best Picture Academy Award ever given to a non-English language film, was widely praised for its insightful depiction of income inequality in South Korea, a major social problem shared by the United States. Self-criticism is a hallmark of self-confident countries.

In the same way that Korean popular culture is seen to reflect a democratic society, South Korea’s technological prowess is also perceived as the product of a modern, liberal, and environmentally-conscious country—all positive characteristics. Chinese consumer electronics attract suspicion as
perhaps being tied to the Chinese state security apparatus and being the product of unfair labor practices. There is no similar suspicion among Americans of Korea products. Simply put, high-quality, attractive products and services create the impression of coming from a high-quality, attractive country. This creates soft power.

South Korea benefits from being perceived as a country that is concerned about climate change and environmental degradation. Its policies promoting carbon neutrality, stricter environmental regulation, and green technologies align with American public opinion, particularly among the younger generation and suggest that there would be value in more U.S.-Korean cooperation in these areas.

In general, South Korea’s changing identity creates soft power but also creates expectations as to whether its high reputation is deserved. If stories emerged, for example, regarding labor abuses or environmental damage caused by Korean companies, they would draw more scrutiny than if they were reported about countries which had not created such a positive reputation.

Foreign policy also creates popular impressions. Taiwan has increased its soft power in the United States by emphatically couching its criticism of Chinese actions in Hong Kong in terms of democracy and universal human rights. This puts Taiwan firmly in line with U.S. opinion on the global struggle between freedom versus repression, while Taiwan continues to balance its complex relations with China.

South Korea, by contrast, has couched inter-Korean relations in terms of the shared Korean identity of North and South Koreans, making the issue specific rather than universal. [Recommendation 9: Seoul might gain more American popular support for its inter-Korean policies if it described them in aspirational terms—beyond risk reduction.]

4. U.S.-South Korean Relations Beyond Governments

Bilateral relations between the United States and the Republic of Korea depend upon more than government-to-government relations. Interactions among businesses, universities, civic organizations, artists, scientists, and tourists lead to mutual understanding, collaborative partnerships, and simple affection between the two countries. Public support for South Korea among the American public has a strong influence on government policy.

Governments can only marginally influence people-to-people ties through policies such as visa law, incentives for foreign direct investment, and government-financed exchanges and collaborations. However, the U.S. and South Korean governments could acquire a deeper understanding of the totality of their relations if advised by the private sector. [Recommendation 10: The U.S. and South Korean governments might consider sponsoring or organizing a private sector advisory commission to help them think through the increasingly complex and promising interrelationships between the United States and Korea.]
Annex A: Recommendations

(1) Washington and Seoul should undertake a strategic review of their future alliance and partnership.

(2) It would be useful to conduct a thorough post-mortem of what actually took place at the February 2019 Hanoi Summit and see whether any part of it might still be built upon.

(3) An in-depth conversation between Washington and Seoul regarding what type of economic assistance would help North Korea, what it might be willing to accept, and which countries or organizations are best placed to provide it, could help determine a diplomatic way forward.

(4) The Biden Administration should act quickly on North Korea to prevent Pyongyang from setting the stage by creating a crisis, as it has in the past.

(5) One new approach might be for the United States and South Korea to make a joint, public offer to North Korea including both demands and concessions.

(6) Consideration should be given to instituting a technology information sharing agreement among trusted, leading countries, similar to the “Five Eyes” system that facilitates the sharing of intelligence.

(7) South Korea and the United States should discuss the issue of Chinese economic pressure with countries of the region to consider whether a coordinated response would be appropriate.

(8) South Korea should consider its role in the evolving coordination among like-minded countries, including the United States, in shaping China’s international behavior.

(9) The South Korean government might gain more American popular support for its inter-Korean policies if it described them in terms of universal values.

(10) The U.S. and South Korean governments might consider sponsoring or organizing a private sector advisory commission to help them think through the increasingly complex and promising interrelationships between the United States and Korea.
Annex B: Participants

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