

ASAN PLENUM 2019 Keynote: Korea's Choice

Keynote Address

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Chairman Chung, Chaibong, distinguished friends and colleagues. Thank you for the honor of addressing the Opening of this year's ASAN Plenum. It's always a great privilege to come to Seoul for this meeting. Over the past decade the ASAN Plenum has become the go-to place for informed and candid dialogue among thoughtful experts on East Asia security, politics and economics. I always come back from these meetings with a much richer appreciation of the unfolding events in the region and look forward to our conversations over the next two days.

This year's conference is entitled "Korea's choice" – and it is a fitting topic for a number of very powerful reasons. To begin with, it is an opportunity to celebrate the choices which South Korea has made over the past 30 years. Back in the 1980s, Korea made the choice to become a democracy – empowering your citizens to take charge of their own destiny, and to demonstrate to the world that democracy is the right choice of people everywhere –irrespective of their previous political history, ethnic or religious background or geography. The vibrancy and resilience of the democracy you have built deserves to be celebrated. South Korea also chose to build an economic model which has transformed your country into one of the great economic and technological powerhouses of the world, lifting millions out of poverty. While you still face important choices on your economic future -- a topic I'll come back to shortly, your economic achievements too deserve to be celebrated. You also made a choice to be a contributor to global peace and prosperity, through your contributions to development assistance, peacekeeping and building regional and global multilateral institutions. You have transformed Korea from a country that looked to others for assistance to one that generously provides it to others, creating much needed public goods.

All of these choices have served the interests of the people of South Korea, the region and the world. But in today's dynamic environment, South Korea faces a number of new choices, each of which will prove as consequential as the choices you have made in the past. This morning I want to discuss four choices facing Korea and the implications of those choices not just for Korea, but for all of us gathered here today. In making these remarks, I want to pay tribute to the many here who have contributed to our collective understanding of the challenges and opportunities facing South Korea as we enter the third decade of the twentieth century. I want to give a special shout out to Scott Snyder for his indispensable book – "South Korea at the Cross-Roads", and to Chaibong, for his insightful article "Keeping Northeast Asia 'Abnormal'" – both of which are required reading for my graduate students.

The first choice – a familiar one from these meetings, is what to do about North Korea. Since we last met, we have witnessed two meetings between the US and the DPRK, including the inconclusive – I won't say "failed" -- summit between President Trump and Kim Jung Un. We all know the important role that President Moon has played in facilitating the two meetings between the US and the DPRK, and the hopes –as well as fears – that these two summits have engendered here in Korea and around the region. I needn't tell this audience that the North Korea issue is multi-dimensional, and though all the of countries in the region share a desire to see an end to North Korea's nuclear program, there is much more at stake here – not just for the two Koreas, but for Japan, China, Russia and of course the United States. And it is stating the obvious to say that the interests of the key actors are not fully aligned.

The development of North Korea's nuclear and especially its long-range missile program has created a new sense of urgency in Washington to address this problem. At the same time, it has complicated South Korea's own choice about how to proceed. No country has a greater stake in reducing tensions on the Korean peninsula and bringing and modicum of hope to the people of North Korea for a better life. For this reason, President's Moon's efforts to reach across the DMZ are both understandable and welcome. At the same time, there is a critical need to assure that any arrangement with North Korea contributes to the long-term peace and stability of North-east Asia. While immediate denuclearization of the North is highly

unlikely in the foreseeable future, South Korea's leaders must –and I believe do-- recognize that ultimate denuclearization must remain a core objective. Similarly, while reducing inter-Korean tensions is critical, it is important to keep in mind the stabilizing role that the US-ROK security ties have brought, and that maintaining those ties means the Alliance must be more than a paper commitment – it must remain militarily credible. So South Korea's first choice is how to maintain the momentum for reduce tensions on the Korean peninsula – without sweeping under the carpet the dangers posed by North Korea's nuclear program or sacrificing the benefits of strong US-South Korean ties. Of course, your ability to do so also depends on the US doing its part – Washington must recognize that it too benefits from the alliance, and that policies that either end run South Korea, or pursue short run burden-sharing gains at the expense of mutual respect, ultimately harm the US.

The second choice that South Korea must make concerns its relationship with Japan. As someone who has worked over several decades in and out of government to help foster constructive ties between your two countries, I know that the issues are complex, and deeply felt on both sides – and that ultimately there is a limit to what third parties can do to help foster reconciliation and cooperation. Yet I would be less than a candid if I didn't express a degree of sadness that despite some valuable initiatives on both sides, the relationship remains deeply troubled. Having written a bit about the importance of history in this region, I am not one simply to counsel “get over it”. We know from conflicts in other regions that coming to grips with historic injustice is critical to moving forward. I also recognize that some of the difficulties in the relationship stem from more contemporary disputes and that these issues have a powerful hold on domestic politics. At the same time, it is vital not to lose sight of the enormous stakes that both Japan and South Korea have in working together. As the two leading industrial democracies of East Asia, cooperation between your two countries is critical to your own security and prosperity – and to the long-term stability of the region as a whole. Korea's choice is to find a way to respect the legitimate concerns of your citizens with respect to both history and modern disagreements, while recognizing that what should bring your two countries together her counsels both a willingness to explore creative new approaches, and in the meantime to work to try to limit the impact of these disagreements on your vital areas of cooperation.

This is particularly important in light of the third choice that South Korea faces – how to position South Korea in the face of the growing tensions and emerging rivalry between the United States and China. As someone who has also worked to try to foster constructive US-China relations for twenty-five years, it is with a sense of dismay and foreboding that I see the direction this relationship is coming to take. Ten years ago, after President Obama took office and made his first trip to China, the two sides stated

“The two countries believe that to nurture and deepen bilateral strategic trust is essential to U.S.-China relations in the new era. During their discussions, the Chinese side said that it resolutely follows the path of peaceful development and a win-win strategy of opening-up, and is committed to promoting the building of a harmonious world of enduring peace and common prosperity. The United States reiterated that it welcomes a strong, prosperous and successful China that plays a greater role in world affairs. China welcomes the United States as an Asia-Pacific nation that contributes to peace, stability and prosperity in the region. The two sides reiterated that they are committed to building a positive, cooperative and comprehensive U.S.-China relationship for the 21st century, and will take concrete actions to steadily build a partnership to address common challenges.”

Less than ten years later, these hopes appeared to be dashed, as the Trump Administration declared

“Although the United States seeks to continue to cooperate with China, China is using economic inducements and penalties, influence operations, and implied military threats to persuade other states to heed its political and security agenda. China’s infrastructure investments and trade strategies reinforce its geopolitical aspirations. Its efforts to build and militarize outposts in the South China Sea endanger the free flow of trade, threaten the sovereignty of other nations, and undermine regional stability. China has mounted a rapid military modernization campaign designed to limit U.S. access to the region and provide China a freer hand there. China presents its ambitions as mutually beneficial, but Chinese dominance risks diminishing the sovereignty of many states in the Indo-Pacific”

Elsewhere in the NSS, the Trump administration asserted that China -along with Russia, “challenge American power, influence and interests, attempting to erode American security and prosperity” – a harsh indictment that leaves little room for cooperation, or even co-existence

I don’t have the time today to examine how and why this came to pass – my current project will look at the evolution of the relationship – so maybe next year, if you invite me back, I’ll have more to say on this. What I want to focus now is on the implications for the ROK.

A binary, zero sum conflict between the United States poses some stark choices for South Korea. Although many commentators have adopted the term “competition” to soften the conflictual dimension to this emerging rivalry, sports fans know that in a competition, each of the competitors expects that the spectators will take sides. South Korea could, of course, choose to side with the United States – recreating the Cold War alignment against China. But this would come with obvious costs and risks for Korea – given the magnitude of Sino-Korea trade and investment ties and its geographic proximity. China has demonstrated that it is prepared to wield its economic clout against countries that cross it – as we have seen in the case of THAAD. And if Korea places all its eggs in the US basket (excuse the Easter metaphor) – can Korea really count on the US to protect the nest if push comes to shove in a confrontation with China? The Trump Administration’s prevarication on the values of alliance should give some pause to that choice.

Alternatively, of course, South Korea could bandwagon with China and hope that a friendly attitude towards the near at hand power would be reciprocated with generosity. But in a region where history looms large, the specter of a tributary state relationship with China is certain to give pause. – Although China likes to tout the benign ways of the Ming Dynasty under Admiral Zheng He as a harbinger of how it would treat its neighbors under a Pax Sinica, the neighbors rightly are wary, to say the least. And public opinion here in Korea is rightly worried about too great a dependence on China.

Of course, Korea could seek to stay neutral and remain in good favor with both sides. But here too history is a caution – President Trump is not the first President to suggest that either you are with us or against us – and if there are any other fellow Texans in the audience, you will instantly recall the Texas saying that the only thing in the middle of the road is a dead armadillo. The recent disputes between the US and our allies over the adoption of China’s telecom technology is harbinger of the growing either/or nature of the competition.

Korea might try to buttress this course of independence by trying to strengthen your own capacity for defense. I know that there continues to be vigorous debate there about whether, in light of uncertainty about the US commitment, and anxiety about China’s increasing assertiveness, Korea should consider developing its own nuclear capability. But despite the arguments of some my IR theory friends, more

nuclear weapons in East Asia is not likely to produce more security for anyone and increases the risks of accidents or unintended escalation in a crisis. In his essay, Chaibong rightly points out the false seduction of this idea of “normal” balance of power solutions to 21st century security problems.

Finally, Korea might seek to make common cause with other countries that fear being caught in the middle a between the US and China. Most of Korea’s regional neighbors share the fear about the growing US-China tensions and want to maintain good ties with each – a goal which might be more feasible if countries like Korea, Japan, Australia, Indonesia and India could work together as a third force. But the Cold War itself is cautionary tale about the ability of the non-aligned to thrive when the elephants fight.

To my mind then, the best choice for South Korea is to help mitigate – potentially reverse, this growing, dangerous confrontation between the US and China –and thus avoid the Hobson’s choices I’ve just outlined above. To do this, South Korea must leverage its relationship with both China and the United States. Vis a vis China, South Korea must make clear that bullying and intimidation will be met with resistance and resolve. In the spirit of our long standing friendship, Korean leaders must encourage the US to keep open the path to constructive cooperation with China, so long as China lives up to its rhetorical commitments to respect the sovereignty and independence of its neighbors and uphold the international rule of law.

There is a fourth and final choice related to the one I’ve just discussed, a choice which concerns the future of the Korean economy. Korea’s economic miracle has depended heavily on the triumph of globalization and economic interdependence. Exports represents more than 40% of Korea’s GDP. But this process has come under attack from all sides –from a China that seems ambivalent at best about open markets, pursues protectionist and mercantile economic policies, and restricts access to China’s own vast market. Now too, the US is moving along the same path, eschewing multilateral trade openings in favor of more protectionist policies and bilateral trade deals that seek to build on the US asymmetric clout. There is increasing talk in both China and the US about decoupling our two economies. China seeks to promote “indigenous innovation” by excluding foreign companies, subsidizing its own firms on the global stage and resorting to illegal expropriation of foreign technology and intellectual property. The US in turn, while rightly concerned about protecting US technology and security interests, is increasingly turning to broad brush exclusion of China from the US economy, imposing new restrictions on people to people exchanges, and unilateral trade measures that undermine the WTO and the global open trade regime.

South Korea has much to lose from this turn away from open markets and free exchange. As a beneficiary of globalization, Korea must now become its champion. This means standing up for multilateral trade and investment on the international stage and by pushing forward the the process of reform at home to better embody the values of fair competition, transparency and open trade to foster competition and innovation/entrepreneurship, greater opportunities for women and youth, and address endemic corruption.

These, then are four key choices for South Korea. But before I conclude I’d like to say a word about China’s choice – and the United States’ choice. As I noted earlier, relations between our two countries have changed dramatically over the past decade. More and more influential voices on both sides of the Pacific have come to see the relationship in zero sum terms. Although the US public is perhaps less pessimistic than the “blob”, public sentiment too has become more wary.

It is fashionable in some circles to see this as an inevitable result of conflict between a dominant and a rising power. While such “parsimonious” explanations have a cachet in academia, this recourse to structural inevitably too easily lets policymakers off the hook. There is little doubt that changes in the economic and military distribution of power poses an enormous challenge to international stability. And

that challenge is compounded by the stark differences in the philosophy of governance in our two countries. I share the widespread concern over recent Chinese actions at home and abroad that appear to threaten the legitimate economic and security interests of others –actions I need not catalogue at length here. But it is the height of responsibility simply to shrug our shoulders in the face of these difficulties and resign ourselves to an increasingly conflictual relationship. As Shakespeare wisely noted, “men are sometimes the masters of their fates; the fault ... is not in the stars –but in ourselves”—if we resign ourselves to this dismal and dangerous future. We can sugarcoat the danger by calling our strategies “competitive”. It has a soothing ring – just as we see economic “competition” as system that generates benefits for all, or extol the virtues of Schumpeterian destruction. But recall the Oxford Dictionary definition of competition “the activity or condition of striving to gain or win something by defeating or establishing superiority over others”. Competition in international relations is not like kindergarten soccer – there are winners and losers – and neither side will easily or graciously accept losing. We can console ourselves by pointing to the end of the Cold War, when the US and our allies peacefully prevailed over the Soviet Union, but we should never forget how many times during that twilight struggle the two sides came to the brink of calamity.

I believe it is still not too late to change the direction of our relationship, but this will require some hard choices by the leaders of our two countries. For China, this means a fundamental and credible commitment to reassuring its neighbors and the world that China’s rise will not come at the expense of the security and prosperity of others. As I have written elsewhere, it is the special responsibility of the rising power – to provide this reassurance, especially given how much china has benefited from the US led order over the past decades. For the United States, it means a recognition that China too, like any other country, is entitled to a reasonable degree of security and a voice in the management of global affairs. As hard as these choices may now seem, we owe to our own people, and to peoples everywhere to make the right ones.

Thank you again for the privilege of speaking to you today.