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Trans-Pacific Dialogue 2021

Conference Proceedings

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TRANS-PACIFIC DIALOGUE 2021

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About Trans-Pacific Dialogue

Since the mid-2010s, amidst the intensifying U.S.-China hegemonic competition, Northeast Asia and the Pacific have been faced with unprecedented challenges at an unparalleled speed and scope. These challenges center around the escalating hegemonic rivalry between the United States and China, which first started off as trade war but has rapidly spilled over into the realm of technological innovation. One area of rising concern and huge implications for the region is the increasing competition in global supply chains, especially with regard to advanced technologies, including 5G, semiconductors, bioscience, rare earth elements, EV batteries, etc. Establishment of their norms and standards are becoming increasingly important in preventing any major potential bifurcation in global supply chains.

Against this backdrop, the Chey Institute for Advanced Studies proposed a bipartisan dialogue inviting the world's most influential opinion leaders, scholars, and incumbent and former high-ranking officials from the United States, Korea, and Japan. This "Trans-Pacific Dialogue" aims to address the most pressing global challenges or crises we face today, including, but not limited to, the following: U.S.-China rivalry; Indo-Pacific strategy; denuclearization of North Korea; and the impact of scientific innovation and advanced technologies, focusing on global supply chains.

The inaugural Trans-Pacific Dialogue was held on December 6-8, 2021 at Salamander Resort (Middleburg, VA). A total of sixty-four delegates (34 from the United States, 12 from Japan, 18 from Korea) participated in the historic event. This report is a compilation of its speeches and session summaries (under the Chatham House Rule).

Welcoming Remarks

CHEY Tae-won Chairman, Chey Institute for Advanced Studies; SK Group

As Chairman of the Chey Institute for Advanced Studies and the SK Group, I wish to extend my gratitude to all of you for taking part in the inaugural Trans-Pacific Dialogue.

Since the end of the Cold War in 1989, the international community has enjoyed unprecedented peace and prosperity. Northeast Asia has been at the epicenter of this transitional period, often referred to as the "Era of Asia." During this time, Asia has transformed itself into an economic powerhouse, spurring global economic growth in the process.

The geopolitical environment in Northeast Asia and the Indo-Pacific has become more complex than ever before. The United States, Korea, and Japan face many common challenges: strategic competition between the U.S. and China; frictions among neighbors in the Indo-Pacific region; North Korean nuclear problem; global supply chain disruptions; and climate change, among many others. These are all urgent issues that require our collective actions.

Against this backdrop, the Chey Institute for Advanced Studies is hosting the inaugural Trans-Pacific Dialogue to bring together the combined insights and wisdom of our three nations. Specifically, the Trans-Pacific Dialogue aims to achieve the following:

- First, to leverage this particular community of collective engagement;

- Second, to devise effective, long-term strategies that are measurable, practical, and specific;

- Third, to come up with solutions that reflect the geopolitical realities and risks facing Northeast Asia.

Taking this opportunity, I would like to introduce SK's key mission for the future: carbon reduction. Our target is to be at 200 million tons of CO_2 by 2030. That is just 1% of the global target but it is about four times the previous goal at SK. In the next four years, SK will invest $40 billion in the U.S. to wage a war against carbon emission.

SK is the first Korean company to publicly announce its CO_2 commitment and decision to join RE100, or Renewable Energy 100. In the United States, we have a very solid plan to invest $52 billion in the next ten years in green business development. Our key investment areas are: electric vehicle-related technologies and infrastructure; energy solutions, including renewables, ESS and AI-backed; and hydrogen. A $52 billion investment will reduce around 100 million tons of CO_2 in the United States, which is about 3.3% of the U.S. goal toward net-zero. This number is comparable to planting 14 billion pine trees, which can cover the entire state of Illinois. It is a huge number. The CEOs at SK Group are now developing very specific plans, and I hope within three or four years, you will see the fruit of our efforts to reduce CO_2 emissions.

In Korea, SK Hynix is committed to achieving RE100 and carbon net-zero by 2050. Korea is a very small country and 70% of its land is mountainous. Therefore, achieving RE100 will be a daunting challenge. However, since we are a technology company, we are going to achieve net-zero through technology. By developing low-power products, we will reduce power consumption that will contribute to reducing carbon emission. For example, if I replace a hard disk drive with our solid-state drive, we can reduce carbon emission by 93%. This is something we can do as a technology company.

The SK Group's Center for Social Value Enhancement Studies (CSES) believes firmly in the idea that anything that cannot be measured is difficult to manage effectively. As such, we seek to measure the impact of social values generated by SK's business activities, including its carbon reduction strategies, so that we can better contribute to the creation of greater social values. Furthermore, we will expand the social innovation ecosystem by researching ways to utilize economic incentives to promote behavioral changes that increase social value.

I hope that the Trans-Pacific Dialogue will serve as a groundbreaking opportunity for everyone here to contribute to greater stability and prosperity in the United States and Northeast Asia.

PARK In-kook President, Chey Institute for Advanced Studies

I welcome everyone to the inaugural Trans-Pacific Dialogue. Today's dialogue is very distinct in three ways:

First, the concept of the Trans-Pacific Dialogue is not overly familiar to the people of Northeast Asia. This is partly because the U.S. has long focused on trans-Atlantic dialogues with its traditional counterparts like the UK, France, and Germany. In hindsight, trans-Pacific platforms should have been initiated much earlier, in light of Asia's increasing importance.

Second, the complexities and sensitivities involving key Northeast Asian countries have forced then to be at odds with each other. It is high time for these countries to engage in a dialogue for durable peace and prosperity in the region and beyond.

Third, this conference is unique in that we are attempting to explore the impact of scientific innovation on geo-political or geo-economic risks. As such, the fourth and fifth sessions of this dialogue will focus on the nexus between scientific innovation and geopolitical risks, and explore new avenues of balancing the global supply chains, especially involving semiconductors and EV batteries.

Next March, Korea will have its 20th presidential election. This means that the U.S., Korea, and Japan will all have newly-elected political leaderships within the span of a year. This is a big political window of opportunity to tackle regional challenges. During the session on "North Korean Denuclearization and the ROK-U.S. Alliance," the chief foreign policy advisors for the two leading Korean presidential candidates will discuss their candidates' respective North Korea policies.

Last but not least, I would be remiss if I did not send my special thanks to our Japanese and Korean colleagues, including Ambassador Fujisaki Ichiro, who dared to endure a 14-day quarantine upon return to their respective countries. Such great sense of dedication epitomizes our resolve toward a better and brighter future between Japan and Korea.

Let me conclude by introducing special messages from the foreign ministers of Korea and Japan. While their congratulatory speeches are short and simple, their message is clear: the two countries must work together towards peace and stability on the Korean Peninsula and beyond.

Special Messages

H.E. CHUNG Eui-yong Minister of Foreign Affairs, the Republic of Korea

I would like to extend my sincere appreciation to the Chey Institute for Advanced Studies for hosting the Trans-Pacific Dialogue, which aims to address the most pressing challenges we face today.

As we tackle the common challenges that range from climate change and the global pandemic to supply chain disruptions, it is mightily reassuring that the ROK-US alliance remains the bedrock of our security and continues to evolve into a multi-pronged partnership that boasts a truly global reach.

Building upon this solid platform, I would like to reaffirm our strong commitment to engage in constructive trilateral cooperation involving Japan as we navigate our way together toward peace and stability in the region and beyond.

I hope today's timely gathering will shed light on the path forward and help us hone our vision for our future.

H.E. HAYASHI Yoshimasa Minister of Foreign Affairs, Japan

I would like to convey my congratulations to the Chey Institute for Advanced Studies for hosting the Trans-Pacific Dialogue with the participation of renowned guests from Japan, the U.S., and the ROK.

The collaboration among Japan, the United States, and the ROK is important for regional peace and stability beyond issues related to North Korea.

I hope that lively discussions will take place at this dialogue.

Congratulatory Remarks

Edwin FEULNER Founder, Heritage Foundation

This morning, let me spend one minute telling you about a U.S. domestic policy theory that I think is relevant to all of us here at this conference. It is called the "broken windows theory" of policing, first enunciated by the late Professor James Q. Wilson of Harvard and Pepperdine University. The broken windows theory argues that local police must oppose *all* criminal activity. Even if that criminal activity is relatively minor, it should not be ignored, but rather should be treated as actions outside the permitted range of legal activities. Thus, if hoodlums throw rocks at windows of an abandoned factory or warehouse, it is a criminal activity and the police should take action. The broken windows theory argues that these minor transgressions, if they are not stopped early enough, will lead the perpetrators to far more serious illegal actions.

Let me give two quick examples of how that might apply as we analyze foreign policy questions, moving forward with some recent examples: one from the Trump administration, and one from the Biden administration. Just last year under the Trump administration, a small but significant change occurred at the UN specialized agencies in Geneva. A major issue was to be the election of a new Director General of the World Intellectual Property Organization, WIPO. As one of our panelists reminded us yesterday, international institutions are not neutral. When a new U.S. Ambassador, Andrew Bremberg—a political appointee of the Trump administration—arrived, he was briefed and told that there was a plethora of candidates, among them, a Chinese woman that had been proposed by the People's Republic of China (PRC). The staff's candid assessment was that the U.S., our allies, and the non-aligned nations would split their votes along either regional or ideological boundaries, and the PRC candidate would easily win the election. Bremberg listened, assessed the situation, [and] told his staff and the headquarters back at the State Department: this would not be desirable. As he said, candidly, to put a fox (the People's Republic of China representative) in charge of the hen house (intellectual property), would not be in anyone's interest. Eventually the vote was taken and the new Director General of WIPO is a Singaporean, Daren Tang. He was elected by an overwhelming vote because the good guys got together and decided it was a fight worth making.

Similarly, on a grander scale under the Biden administration—and as I understand, under the direction of our featured speaker, Kurt Campbell—several of the PRC's most recent transgressions against Australia led to President Biden's team negotiating and announcing a new security agreement.

We all know about AUKUS, the joint effort between Australia, the U.K., and the U.S. to increase our cooperation in the Indo-Pacific by the three most significant Anglosphere nations. In effect, we jointly decided that this series of PRC rock-throwing incidents against Australia would not be tolerated. Thank you for responding in kind and reminding the PRC that all of us assembled here, at these real-world political issues, that we can do a lot if we can act together in a timely fashion. Just as we cannot let the hoodlums break windows so that they can go on to bigger crimes, we cannot let international disruptors act without real concerted joint responses.

Finally, I applaud Chairman Chey for calling us together for these three days, from last night and through tomorrow, to discuss both the strategic challenges and the specific coordinated responses we all face.

LEE Hong-koo Former Prime Minister, the Republic of Korea

It is my honor to be part of this inaugural Trans-Pacific Dialogue 2021. Let me briefly make some comments about China. China is one of the big concerns for the countries in the Pacific area, if not the entire global community. On one side, we have the United States, Canada, and Latin American countries. On the other side, we have East Asia and Southeast Asia. Now we are all concerned about the uneasy relationship between what looks like two giants in the Indo-Pacific area—namely the United States and China. Sino-American relations are the central topic whenever we discuss politics, economy, or major threats facing humanity. Now, when I speak of U.S.-China relations, it is not easy to speak with a calm mind, because I have a feeling that I know the United States reasonably well. I do not know that well about China. Nevertheless, my ancestors have lived thousands of years as neighbors of China. So, I should have at least some genes in me to understand what China or the Chinese are thinking about.

Let me just give one notion. That is, China is a big country—but that is not the main point. China is a very old country, and its long history, in a way, determines Chinese thinking and actions. And in this connection, I recalled the visit of the late Prime Minister Lee Kuan Yew to Seoul—I think it was 2006—and we had a very interesting conversation. He mentioned the fact that the Chinese always think in terms of their old history, and whenever someone does not understand this history, he/she gets into trouble making contact with the Chinese. It may be due to this perspective that Singapore has been able to have success in the Indo-Pacific region.

I hope this dialogue that we started also marks, among other things, a new beginning to understand each other, particularly to understand the Chinese. Of course, the big countries—like the U.S.—need better understanding from our side as well. So, in the next three days, I hope we will have interesting inaugural sessions.

FUJISAKI Ichiro President, Nakasone Peace Institute

It is a great place, great people, and a great topic; new era of the Pacific? Yes, and no. No, for the very forceful reasons that Richard Armitage gave during the Fireside Chat. However, yes, as well.

China is becoming a lot more aggressive than before; that is a change. However, as a lot of people mentioned, it may not be that strong. So, it could be an elephant with giraffe legs. Four legs: discrepancy, democracy, decoupling, and demography. These four legs could be really weakening this giant as well—and Chinese leaders know it. One thing I would like to say is that some Asian countries would say: we do not want to take sides in the U.S.-China competition or confrontation.

One more change that we are seeing is the economy. President Biden said "no trickle-down economy," and Prime Minister Kishida said "no growth without distribution." President Xi said "common prosperity." Everyone is saying that we have to really look at capitalism from a new angle as well. Three dilemmas: one, we are saying to China that it is not containment that we are doing. At the same time, we want the Chinese to understand that they have to change their attitude or behavior. Second dilemma: U.S.-DPRK dialogue. We want to see it, but we do not want see the U.S. compromise. Third dilemma: Taiwan. We do not want to see confrontation or independence, so Taiwan should not get over-confident. These are the dilemmas we are facing.

The Republic of Korea is getting into an election. Two candidates have totally different views, so we are waiting for that. And Japan: we have a new government of Kishida as Prime Minister, and Hayashi as the Foreign Minister. Our policy towards the United States will not change; it is the same as before. Policy towards China: that is something that a lot of people are still watching. I think because of the composition of the Liberal Democratic Party, it will not really change that much. Kishida-san has been saying that. But strike capabilities are being discussed as well. In that sense, we are going into a new era, too. This is where I look at this stage, going back to the first question. Are we going into a new era? Yes and no.

Special Remarks

Bill HAGERTY U.S. Senator[R], Tennessee

It is a real privilege to join the 2021 Trans-Pacific Dialogue. Chairman Chey, I want to thank you for your leadership and your friendship. We now have many Tennesseans that are looking forward to a wonderful new job opportunity at the cutting edge of where the automotive industry is heading, because SK has made the decision to participate with Ford in a $5.6 billion investment in Tennessee to build the next generation of electronic vehicles, the largest assembly plant for electric vehicles in America.

Tonight, what I hope we can talk about is that relationship. But not only the relationship between the Republic of Korea and America, but also with Japan. Before I joined the United States Senate, I served as U.S. Ambassador to Japan. A number of you here in this room helped me succeed in that role, and I hope that we can continue to work together to make certain that the three nations—the United States, Korea, and Japan—can continue to succeed in deepening our alliance. What I would like to speak about tonight is how we go about strengthening and deepening that alliance.

It was my great honor, again, to serve as U.S. Ambassador to Japan. But even then, I focused on our trilateral cooperation with the ROK. There are a number of reasons why, but I spent a good deal of time in the ROK when I was serving as United States Ambassador to Japan. We have such tremendous shared interests. If I go back to the time that I arrived in Japan back in 2017, it harkens back to the time when the alliance between our nations was terribly critical. At that time, North Korea was a threat to the entire region, to the entire world. The destabilizing behavior had ramped up to a level we had not seen before. You may recall that North Korea launched intercontinental ballistic missiles over Japan. That happened while I was living there as Ambassador. You remember the detonation of the thermonuclear weapon that took place. Japan is the only nation that has been on the receiving end of a thermonuclear weapon, or a nuclear weapon, and the tension was enormous there.

I think about the cooperation that occurred between Prime Minister Abe, President Moon, and President Trump. What happened was a diplomatic cooperation and economic cooperation, a military cooperation like we have never seen. The United

Nations Security Council put forward three consecutively stronger sets of economic sanctions. The strongest that Pyeongyang had ever seen. They saw resolve from us that they had never seen. Even China and Russia joined us in this.

We dealt with the threat together. But let's think about how we deal with the challenges and threats moving forward, because the longer-term threat, the longer-term concern for so many of us is China. I think we have deep, deep concerns about our relationship with China. It is too big of a market to ignore, but the behavior of the Communist Chinese Party is of great concern. If you think about the aggressive posture that they adopt, frankly, the predatory posture that they adopt from a military, from a diplomatic, and certainly from an economic perspective, we need to be in a position to push back together, and we are far stronger together than apart. I think back to the initial conversation that you and I had, Chairman Chey, about bringing the business community of the ROK together with the business community of Japan and with America. Our economic ties can be that bridge. I have been a businessperson for my entire career, and I have spent a good deal of time trying to create stronger economic ties between our countries. I deeply believe that deeper economic coordination leads to far stronger national security for our nations. If you think about the threat that Taiwan is under today, the more cooperation they have with America, with the ROK, with Japan to integrate their economy with ours, that strengthens all of us.

I worked very hard when I was Ambassador to Japan to create alternatives to China's approach. They have something called the Belt and Road Initiative. We created an alliance between the United States, Japan, and Australia to provide alternative infrastructure investment opportunities. We can continue to move in this direction: the ROK can join us. But as I look at the opportunities ahead, we need to find opportunities to deepen our relationship economically, whether it be through greater trade, through greater investment—just like SK's investment in my home state and in America—or through greater economic opportunities for our people. I think that will become the bridge that helps us stand strong. That helps us stand as an alternative to a hegemonic regime that wants to rewrite history.

If you think about what China has been doing in recent years, their revisionist approach to what is happening in the East China Sea, in the South China Sea; we have to stand strong together on this, and we can. But it takes cooperation from all of us, and a diligent focus on finding new opportunities. I think that together, again, deepening our economic opportunities, deepening our economic ties, we can stand strong for our own national security, and I will just close by saying this. It is a fight worth having. Because what is at stake? The Chinese Communist Party would like to replace us to become the dominant force. The hegemon not only in the region, but I think around the world. But we have an alternative, an alternative that represents freedom, the freedom to pursue your own religion, the freedom to pursue what's on your mind, the freedom to prosper. That is the freedom that we all stand for. That is the freedom that we all believe in. Let's not forget that as we look for ways to bring our nations closer together.

Jon OSSOFF **U.S. Senator[D], Georgia**

Good evening, everyone. Nice to see everyone. I would like to thank you, Chairman Chey Tae-won, for bringing us all together. Thank you for the investments that SK is making in the United States, especially in the state of Georgia, where we are proud to host your electric vehicle battery production facility. Thank you, Ambassador Park In-kook, distinguished professors, leaders, and statespersons. It is a pleasure to spend this evening with you to discuss cooperation in Northeast Asia, to discuss how we can deepen trilateral relations: the United States, Republic of Korea, and Japan. I am so pleased to sit with the Ambassador [TOMITA Koji] here, and want to thank you Chairman Chey for your leadership in promoting stronger trilateral dialogue between our three countries, which is necessary for stability and security in the region. It is consistent with what the U.S. Senate unanimously supports and I know it is consistent with what the Biden administration supports. And it is important for the world so thank you for your leadership.

Fireside Chat

Speakers

Chuck HAGEL Former Secretary of Defense

Richard ARMITAGE Former Deputy Secretary of State

Moderator

AHN Ho-young Former Ambassador of the ROK to the U.S.

AHN Ho-young

I was the Republic of Korea's Ambassador to the United States from 2013-2017. At that time, Secretary Hagel was the Secretary of Defense, and Ambassador Armitage was the head of a prestigious consulting firm in Arlington. So, it is such a pleasure and honor for me to moderate this session. Secretary Hagel, the first question goes to you: how do you assess America's work on building peace after winning the Cold War?

Chuck HAGEL

In my opinion, the post-World War II era was successful in winning the peace. I think the world is far better off today than where we found it after World War II.

Now, to the real point of your question: did we win the peace after the Cold War? The institutions that were built after World War II were built on one basic and fundamental premise: common interest. All the institutions that were built after World War II—the United Nations, Collective Security [Treaty Organization], NATO, IMF, World Bank, GATT, and international development institutions—they were about the common interest of *all* people. They were not going to resolve every issue, every problem, but they were successful.

I think one of the most defining events since the end of World War II was the implosion of the Soviet Union—and that threw everything into an uncertain, volatile time. How were we all going to adjust to that? In my opinion, President George H.W. Bush, James Baker, Colin Powell, and Brent Scowcroft handled that in a masterful way. But the thing that we did not do well and paid little attention to was the rules governing the post-Soviet era, the conduct of relations of the United States and their allies vis-à-vis the others.

I think we can continue to make progress and I think right now is a defining time in the world. The uncertainty of this era makes everybody anxious. In particular, the United States is very much off balance. We are off balance politically in terms of how we see our institutions and leaders. When the United States is off balance, the world is going to be off balance. It does not mean that we dominate the world, but we lead in many ways and our allies rely on us. The engagement that we have preferred and worked with since World War II has got some chips in it now, and I think there is some lack of confidence that we are seeing in the world today.

AHN Ho-young

I think one of the reasons why the United States' leadership was so effective and so conspicuous in the immediate post-Cold War period was because of its hard and soft power, as well as its model as a democracy. But recently I was shocked by the Pew Research Center's opinion poll, which surveyed almost 20,000 people from 20 countries, most of them allies of the United States. The question was: is the United States the model for democracy in the world today? 17% responded positively and 57% answered that the United States *used* to serve as a model for democracy. Ambassador Armitage, what do you think is the reason for this change? What do you think the United States should do about it?

Richard ARMITAGE

I think there are macro and micro reasons for this. The macro has to do with our perseverance and our victory in the Cold War. We were on top alone but we squandered. That took about 20 years. We never really consolidated that victory. Everyone took for granted that it is a unipolar world. But things change. The micro reasons are much more complicated. People not trusting the government as they used to. We ought to be supporting other democracies, but we ought to be working on our own democracy at home before we have the temerity to step out and say, "Come follow me. We're going to be hosting the Community of Democracies."

AHN Ho-young

Let's move on to the North Korean nuclear issue. Several months ago, the Chicago Council organized a commission, which came up with a report. And one of the recommendations I read in the report was that the United States should consider the option to provide a NATO-style nuclear planning group in Korea. In fact, that recommendation received much positive attention in Korea. In fact, there is an increased sense of cynicism in Korea about the credibility of extended deterrence being offered by the United States. An increasing number of Koreans are talking about re-deployment of tactical nuclear weapons or a NATO-style nuclear planning group for Korea, or even the possibility of Korea going nuclear. So, against this background, why did you come up with that proposal, offering a NATO-style nuclear planning group for Korea, and how practical do you think that recommendation is? Additionally, could you share what types of concerns the Indo-Pacific countries have on the North Korean issue?

Chuck HAGEL

The Commission looked at the issue of threats, generally, from the perspective of not just all those countries represented on the Commission, but global realities and global threats and global opportunities. We thought there was some merit in at least starting a discussion on North Korea because the issue is complicated and it is going to take some time. When we came up with the recommendations in that report, we had a lot of responses. We wanted to come up with something that was tangible and was grounded in reality too.

One common concern was that this will not make a difference. That the North Korea problem is intractable, that it is dominated by China, and that only working through China will make a difference.

We had various responses to this, some very positive, some not so positive, some saying it is interesting, but it will go nowhere because it needs leadership. And who is going to lead something like that? I will go back to where I started: when the world is so off balance politically, we should have history be more of an influence in our decisions. As we look out over the next 10, 20, 50 years, we are still going to have complications, but you have got to manage them. And that is why I said earlier, I think one of the great successes—maybe the most important success of the post-World War II era—is that we have been able to successfully manage big conflicts.

AHN Ho-young

There is a large number of people who think that the sanctions regime against North Korea does not work. The first question I want to raise with Ambassador Armitage would be this: how could we engage China to play a more proactive role like it used to play during the Six-Party Talks?

Richard ARMITAGE

Even at the best of times, China has cheated on sanctions. It will continue to cheat in bad times, just as well as in good times. I personally look for this year to be one of some turmoil, but not tremendous turmoil for a lot of reasons, not the least of which is the Chinese Communist Party (CCP) National Party Congress coming up in China in October. I really think in the longer run, for the final two years of the Biden administration, it is going to be very rough going between the United States and China.

China has not changed and North Korea has not changed. Island disputes are still there and we are still having problems within ASEAN. In a way, the more things change, the more they look the same.

AHN Ho-young

One very concrete measure could be the Quad. Ambassador Armitage, what is the United States' position on the Quad with respect to inviting other countries to participate?

Richard ARMITAGE

I have no doubt about the U.S. commitment to stability generally, and in particular on the Peninsula: that is number one.

Number two. I think we should realize, notwithstanding the size of China or its economic strength, that this is not a ten-foot-tall person. We are very lucky that we have an adversary with whom, as President Biden says, we are going to have intense cooperation, who is busy scoring own goals. The fact is, China is helping us out enormously, and we have to take advantage of it.

Number three, on inviting others to join. I am going to be completely frank—and I consider it to be a mark of friendship, not a mark of rudeness—I think for the Republic of Korea to even think that they want to join the four nations—Australia, India, Japan, and the U.S.— is almost foolish. I think Korea has its hands full being able to handle a real threat from the North. And is it the case that Korea wants to join these other four nations in an anti-China security arrangement? I think that the United States inviting others to join these groupings has to be done very carefully. We have to be very judicious about it.

Keynote Remarks: The China Challenge and Lessons of History

Joseph NYE Distinguished Service Professor, Harvard Kennedy School

Will China displace the U.S. as the world's leading power by the centenary of Communist rule in 2049? The answer depends on many unknowns. Some analysts predict China will remain in "a middle-income trap" because of demographic decline and low factor productivity. Xi Jinping's "China dream" could also be derailed by unexpected events, such as a war over Taiwan or a financial crisis. Most linear projections foresee a rising China, but there is never one future, and which scenarios become more probable depends in part on what *we* do.

How should the U.S. respond to the rise of China? Analysts often turn to the 'lessons of history' as though the bright light of the past could shine through the fog of an uncertain future. While history is an important partial guide to policy, it must be handled with care. All too often history lessons are oversimplified and misused as though the future will resemble the past. As the distinguished historian Ernest May used to remark, every time policymakers are tempted to be guided by a historical analogy, they should draw a line down a piece of paper and list on one side "similarities" and on the other "differences." Historical metaphors and analogies are rife in the debate over how to understand the current rise of China, but three are particularly salient: Thucydides trap; new Cold War; and 1914 sleepwalkers.

Thucydides Trap

Many people have noted the similarities of the rise of China with the rise of Athens in ancient Greece. Even China's president has noted it. Thucydides argued that the underlying cause of the Peloponnesian War was the rise in the power of Athens and the fear that created in Sparta. By analogy, the rise in the power of China and the fear it creates in the U.S. could precipitate a war today. Fewer note differences in the roles, such as the fact that Athens was a democracy while China is an autocracy; that Sparta was an inward-looking land power while the U.S. is a global naval power; or dramatic differences in context, such as the existence of nuclear weapons or the problem of global climate change. Hal Brands and Michael Beckley argue that China is a peaking or declining power, and that war could arise from elite fears that its window of opportunity is closing.

Graham Allison deserves credit for attempting to quantify cases of hegemonic transition since 1500. He finds that 12 out of his 16 cases have led to major war, but his case selection and methodology have been challenged by other social scientists. It is not clear what constitutes a "case." For example, Britain was the dominant world power in the mid-19th century, but it let Prussia create a powerful new German empire in the heart of the European continent through three wars from which Britain abstained. Of course, Britain did fight Germany a half-century later, in 1914, but should that be counted as one case or several? Moreover, World War I was not simply a case of an established Britain responding to a rising Germany. In addition to the rise of Germany, World War I was caused by the fear in Germany of Russia's rising power, the fear of growing Slavic nationalism in a declining Austria-Hungary, as well as a myriad of other factors that differed from ancient Greece.

Today's power gap between the U.S. and China is much greater than that between Germany and Britain, where Germany had passed Britain well before 1914. Even the classical Greek case is not as straightforward as Thucydides made it seem. He claimed that the cause of the second Peloponnesian War was the growth of the power of Athens and the fear it caused in Sparta. But the historian Donald Kagan argues that Athenian power was, in fact, not growing. Before the war broke out in 431 B.C., the balance of power had begun to stabilize. It was Athenian policy mistakes that made the Spartans think that war might be worth the risk. Athens' growth had caused the first Peloponnesian War earlier in the century, but then a 30-year truce doused the fire. Kagan argues that to start the second disastrous war, a spark needed to land on one of the rare bits of kindling that had not been thoroughly drenched, and then continually and vigorously be fanned by poor policy choices. In other words, the war was caused not by impersonal forces, but by bad decisions in difficult circumstances.

So, what should a policymaker conclude are the lessons of history for how the U.S. should respond to a rising China? If the Peloponnesian War was caused in part by the rise of Athenian power, it was also caused by the fear created in Sparta. American policymakers may not be able to control the rise in the power of China, but they can affect the degree of fear that it creates in Washington. Exaggeration can mobilize domestic support, but if it is excessive and leads to miscalculation, that would be the ultimate Thucydides trap. Metaphors from Greek history can be useful as general precautions, but they become dangerous if they convey a sense of historical inevitability.

Moreover, there is a second problem related to the rise of China that I have called the Kindleberger Trap. The MIT economist Charles Kindleberger argued that the disastrous decade of the 1930s was caused when the U.S. replaced Britain as the largest global power, but failed to take on Britain's role in providing global public goods. The result was the collapse of the global system into depression, genocide, and world war. Today, as China's power grows, will it help provide global public goods? At the global level, public goods—such as a stable climate, financial stability, or freedom of the seas—are provided by coalitions led by the largest powers because they can see the effect and feel the benefit of their contributions. When they do not, global public goods are under-produced. When Britain became too weak to play that role after World War I, an isolationist U.S. continued to be a free-rider, with disastrous results.

As China's power grows, will it free-ride rather than contribute to an international order that it did not create? So far, the record is mixed. China benefits from the United Nations system, where it has a veto in the Security Council, is now the second-largest funder of UN peacekeeping forces, and heads four of the 15 most important UN agencies. China has also benefited from multilateral economic institutions like the World Trade Organization, the World Bank, and the International Monetary Fund. China joined the Paris Climate Accords in 2015, but it has also tried to create separate institutions such as the Asian Infrastructure Investment Bank (which the U.S. boycotted). Similarly, the U.S. has been skeptical of China's Belt and Road infrastructure programs, and objects to China's rejection of a Permanent Court of Arbitration judgment against its territorial claims in the South China Sea. Chinese behavior has sought not to overthrow the world order from which it benefits, but to increase its influence within it and tilt the rules in its favor. It is neither a purely revisionist nor status quo power on the economic front. If pressed and isolated by policy, however, will China become a more disruptive free-rider that pushes the world into a Kindleberger Trap? What are these lessons of history on how to deal with a rising China? Ancient Greek history, and its relevance to the onset of two world wars provide at best cautionary notes, but not answers. Policymakers must worry about a China that is simultaneously too weak and too strong, and must avoid a Kindleberger trap as well as a Thucydides trap. Maybe the answer is to be wary of Greeks bearing historical gifts.

A New Cold War

The rhetoric of a Cold War has proven useful for some political leaders seeking to mobilize domestic political support, but the metaphor has also been advocated by some scholars who see a prolonged conflict. Some say that President Trump launched a new

Cold War (which they define as intense competition without shooting); but Trump was not the sole source of the problem. He poured gas on a smoldering fire, but it was China which lit the fire.

After the Great Recession of 2008 called American leadership into question and increased belief in American decline, Chinese leaders abandoned Deng Xiaoping's moderate policy of biding their time, and became more assertive in ways ranging from building artificial islands in the South China Sea, to economic coercion of Australia, to abrogating guarantees to Hong Kong. On the trade front, China tilted the playing field with subsidies to state-owned enterprises and coercive intellectual property transfer. Trump clumsily responded with a tariff war that included penalties on our allies as well as on China, but he correctly defended against Chinese companies like Huawei whose plans to build fifth generation telecommunications networks posed a security threat. Some people in Washington began to talk about a general "decoupling," but it is mistaken to think we can decouple our economy completely from China without enormous economic costs.

That is why the Cold War metaphor misleads policymakers about the nature of the challenge they face from China. In the real Cold War, the Soviet Union was a direct military and ideological threat, and the U.S. had almost no economic or social interdependence in our relationship. Containment was a feasible objective. With China today, the U.S. has half a trillion dollars in trade, and millions of social interchanges, such as students and visitors. Moreover, with its "market-Leninist" political system, China has learned to harness the creativity of markets to authoritarian Communist Party control in a way the Soviets never mastered. China cannot be contained in the same manner as the relatively weak Soviet economy. More countries have China as a major trade partner than they do with the U.S., and while they want an American security guarantee against Chinese military domination, they are not willing to curtail their economic relations with China as Cold War allies did with the Soviet Union.

Moreover, the U.S. and its allies are not threatened by the export of communism in the same way as in the days of Stalin or Mao. There is less proselytizing than during the real Cold War. Few people today are taking to the streets or jungles in favor of "Xi Jinping thought with Chinese characteristics." Instead, the problem we face is a hybrid system of economic and political interdependence which China can manipulate to support authoritarian governments and influence opinion in democracies to prevent criticism of China—witness the economic punishment of Norway, Korea, and Australia after they angered China. As mentioned above, China has become the leading trade partner of more countries than the United States. Partial decoupling on security issues like Huawei is useful, but total economic decoupling would not only be costly, but unlike the Cold War, few allies would follow suit. Moreover, with regard to the ecological aspects of interdependence such as climate change and pandemics, the laws of physics and biology make decoupling impossible. No country can solve these transnational problems alone. The politics of global interdependence involves power *with* others as well as *over* others. For better and worse, we are locked in a "cooperative rivalry" with China in which we need a strategy that can accomplish two contradictory things at the same time. This is not like Cold War containment.

Meeting the China challenge will require a more complex strategy that leverages U.S. hard and soft power resources at home and abroad to defend ourselves and strengthen a rules-based system. Some pessimists look at China's population and economic growth rates and believe that the task is impossible. On the contrary if we treat our allies as assets, the combined wealth of the Western democracies—U.S., Europe, Japan—will far exceed that of China well into this century. But our allies do not all see China in exactly the same way we do. Our rhetoric of a Cold War may have more negative than positive effects in the maintenance of our alliances. The metaphor of a Cold War may be useful for recruiting domestic political support at home, but counterproductive as a strategy overseas.

1914 Sleepwalkers

The fact that the Cold War metaphor is counterproductive as a strategy does not rule out the very real possibility of a new Cold War. We may get there by accident. As Henry Kissinger has warned, the appropriate historical metaphor today is not 1945, but 1914, when all the great powers expected a short third Balkan War. Instead, they got a world war that lasted four years and destroyed four empires. Leaders paid insufficient attention to changes that altered the process of the international order that had once been called the "Concert of Europe." One important change was the growing strength of nationalism. In Eastern Europe, Pan-Slavism threatened both the Ottoman and Austro-Hungarian empires, each with large Slavic populations. German authors wrote about the inevitability of the Teutonic-Slavic battles, and schoolbooks inflamed nationalist passions. Nationalism proved to be stronger than socialism when it came to bonding working classes together, and stronger than the capitalism that bound bankers together.

A second cause of the loss of moderation in the early 20th century balance of power process was a rise in complacency about peace. The great powers had not been involved in a war in Europe for 40 years. There had been crises—in Morocco in 1905–1906, in Bosnia in 1908, in Morocco again in 1911, and the Balkan wars in 1912—but they had all been manageable. However, the diplomatic compromises that resolved these conflicts caused frustration. Afterward, there was a tendency to ask, "Why didn't we make the other side give up more?" Many leaders believed short, decisive wars won by the strong would be a welcome change.

A third factor contributing to the loss of flexibility in the early 20th century international order was German policy, which was ambitious, but vague and confusing. There was a terrible clumsiness about the Kaiser's policy of seeking greater power. Something similar can be seen with Xi's "China Dream," his abandonment of Deng's patient approach, as well as the excesses of nationalistic "wolf warrior diplomacy." Policymakers today must be alert to the rise of nationalism in China as well as populist nationalism in the United States. Combined with the clumsiness of China's wolf warrior diplomacy, a history of stand-offs and compromises over Taiwan, and clumsiness in American efforts to reassure Taiwan, the prospects for inadvertent escalation exist.

As the historian Christopher Clark has summarized 1914, once catastrophes occur, "they impose on us (or seem to do so) a sense of their necessity." But Clark concludes that in 1914, "the future was still open—just. For all the hardening of the fronts in both of Europe's armed camps, there were signs that the moment for a major confrontation might be passing." A successful strategy must protect against such a sleepwalker syndrome. In 1914, Austria was fed up with upstart Serbia's nationalism. The assassination of an Austrian archduke by a Serbian terrorist was a perfect pretext for an ultimatum. Before leaving for vacation, the Kaiser decided to deter a rising Russia and back his Austrian ally by issuing Austria a blank check. When he returned and found how Austria had filled it out, he tried to retract—but it was too late.

The U.S. hopes to deter the use of force by China and preserve the legal limbo of Taiwan that China regards as a renegade province. For years, our policy has been designed to deter both Taiwan's declaration of de jure independence as well as Beijing's use of force. Now some analysts warn that that the double deterrence policy is outdated because of China's growing military power, which may tempt them to act. Others believe that an outright guarantee to Taiwan would provoke China to act. Even if China eschews a full-scale invasion and merely tries to coerce Taiwan with a blockade or by taking an offshore island, and there is a ship or aircraft collision that leads to loss of life, all bets are off. If the U.S. reacts with freezing of assets or invoking the "Trading with the Enemy Act," the two countries could slip quite quickly into a real rather than a metaphorical cold, or even a hot war. The lessons of 1914 are to be wary of sleepwalking, but they do not provide a solution to the Taiwan problem.

Conclusions

Since no single future exists, good strategy must allow for multiple scenarios, some of which we can affect, and some of which are largely beyond our control. Rather than planning for maximal outcomes which may fall short, our objective should be competitive coexistence. As former Australian Prime Minister Kevin Rudd has argued, the objective for great power competition with China is not defeat or total victory over an existential threat, but a "managed competition." A sound strategy requires us to avoid demonization of China and instead see the relationship as a "cooperative rivalry" or "competitive coexistence" with equal attention to both parts of the description. If China changes for the better in the long-term, that is simply an unexpected bonus for a strategy that aims for successful management of a great power relationship in a time of traditional, as well as economic and ecological interdependence.

A successful American strategy starts at home and must be based on (1) preserving our democratic institutions that attract rather than coerce allies; (2) investing in research and development that maintains our technological advantage; and (3) maintaining our openness to the world rather than retreating behind a curtain of fear. Externally, we should (4) restructure our legacy military forces to adapt to technological change; (5) strengthen our alliance structures including NATO, Japan, Australia, and Korea; (6) enhance our relations with India; (7) strengthen our participation in and supplement the existing set of international institutions we have created to set standards and manage interdependence; and (8) cooperate with China where possible on issues of transnational interdependence.

In the near-term, given the assertive policies of the Xi government, we will probably have to spend more time on the rivalry side of the equation; but if we avoid ideological demonization and misleading Cold War analogies, and maintain our alliances, the most important lesson of history is that we can succeed with such a realist "no regrets strategy." In 1946, George Kennan correctly predicted it might take decades to succeed with the Soviet Union. The U.S. cannot contain China, but working with democratic allies like Europe, Japan, and Korea, we can constrain its choices by shaping the environment in which it rises. That is the most important lesson of history for us all.

Session 1: Intensifying U.S.-China Strategic Competition

Key Questions

- How is the intensifying U.S.-China competition transforming international relations?
- How does the race for technological hegemony factor into U.S.-China dynamics?
- What are the prospects for U.S.-China cooperation in addressing common challenges in the context of a so-called "cooperative rivalry"?
- What are the prospects for U.S.-China relations under Xi Jinping's political agenda to stay in power, and how is the Chinese domestic situation—both political and economic—likely to shape the future of U.S.-China relations?
- What implications does the Ukraine crisis have for Taiwan?

New U.S.-China Relations at a Turning Point

An American panelist observed that the world is transitioning from a U.S.-led hegemonic order to one more distinctively defined by balance of power politics and fragmentation. In other words, we are witnessing, on one side, an order commonly referred to as the "hub-and-spoke alliance system" led by the U.S. and, on the other, an order focusing mainly on trade and investment led by China.

There were several points of disagreement regarding these underlying shifts. An American panelist with extended experiences of negotiating with China argued that because of changes in China's economy and its external behaviors, shifts in U.S.-China competition are strategically advantageous to the United States for the following five reasons: (1) the Chinese economy is slowing down, as demonstrated by the decrease of its share of global GDP growth from 35% in the years prior to the pandemic to 25% today; (2) exports have fallen as a share of China's GDP from 35% prior to 2010 to less than 20% today; (3) China is pushing a self-reliance agenda, especially in industrial products and technology sectors, which implies greater competition between Chinese companies on one hand and American, Japanese, and Korean companies on the other; (4) U.S. imports from countries other than China have grown, which implies that Chinese products are not as central to the U.S. market as it once were; and (5) new important growth drivers such as Korea and Taiwan are stepping up. Another panelist raised a point that on the trade and investment side, the United States is trying to strengthen its engagement and leadership; as such, the observation that a trade and investment order is led by China could be the result of over-simplification.

Whether the initial description of the shifts in power dynamics accurately depicts U.S.-China relations remains to be seen. However, most panelists agreed that current U.S.-China competition driven by these shifts has unprecedented implications. This is because the competition is playing out in a deeply interdependent regional and global environment. The interdependent nature of U.S.-China competition means that the U.S. cannot compete with China alone, hence the focus on coalition-building with allies and partners by the current Biden administration. A panelist suggested that the competition creates more opportunities for middle powers to exercise their influence.

One panelist submitted, however, that while middle powers do see an advantage in having major powers compete, the United States and China are competing to break out of the existing international order to court middle powers for influence. Such shifts in the balance of power could create restraints for the U.S. and China. Both great powers cannot simply put pressure on their allies and partners and ask them to choose sides. An American panelist explained that U.S. allies and partners do not wish to reenact the Cold War with China, which may operate as a restraint against the United States. For China, it faces the problem of "self-encirclement," in which inciting too much pressure to side with China will have the reverse effect of countries tilting toward the United States.

Regarding the restraints on U.S.-China relations, there were diverging views. One panelist conjectured that China is not interested in restraint because it is acting as an empowered rising power. The panelist went so far to say that China may need a Cuban Missile Crisis-like situation for it to understand the restraints it faces. To this, another panelist argued that China's prudent handling of Taiwan clearly demonstrates its understanding of the importance of restraint.

One American panelist pointed out that compared to five years ago, many of the participants have shown a greater sense of pessimism regarding U.S.-China relations. The panelist further argued that this Cold War between the United States and China will be more intense than the previous Cold War between the United States and the Soviet Union.

Bloody Battles over Technological Primacy

At least in the realm of technological rivalry, U.S.-China relations over the last five to seven years have been influenced by the so-called "securitization of commercial flows." Previously, flows of capital, people, technology, data, and goods were viewed as commercial public goods. According to an American panelist, however, they are increasingly viewed by Americans as enabling the rise of a strategic competitor. The panelist explained that security competition has been baked into U.S.-China relations from the inception when Richard Nixon visited China in 1972. In other words, security issues have always persisted, but they never impinged on business sectors. According to the panelist, economics and security have now converged, and economic as well as commercial flows will be viewed increasingly through a security prism.

This panelist also focused on the change in the flow of innovation with regard to securitization. From the 1940s to the 1960s, many commercial spinoff innovations came out of weapons innovation such as German rocketry, American computing and nuclear science, and British radar. However, since the 1960s, a revolution in semiconductors and commercial microelectronics reversed that flow. The panelist emphasized that many emerging technologies, including new composite and synthetic materials, quantum computing, AI-enabled applications, and biotech, are intrinsically dual-use. As such, there is an increasing impulse towards indigenization and temptation to use administrative and regulatory laws to outcompete. However, the panelist predicted that this will not attenuate innovations in China, because while China has been challenged in the semiconductor and aircraft industries, it has built-in advantages in other areas such as biotechnology and life sciences. These advantages come from two sources: first, a large population that allows China to run clinical trials for new therapies, new medicines, among others; and second, strong contract research organization (CRO) entrepreneurs. The panelist conjectured that the world is heading for fragmentation, where there will be a discombobulated "patchwork" of rules, norms, and standards. Therefore, crucial questions remain for three particular stakeholders: for the United States, how much technology is it prepared to sequester in order to weaken China's progress? For China, how much dependence is China willing to accept as the price of not being able to indigenize? For third countries, how can they avoid being caught in between the two countries?

Another American panelist outlined three dynamics brought on by U.S.-China technological competition. First, there will be areas of technology and innovation where, in the past, the world might have seen co-innovation, but will now see de-integration (this panelist specifically did not use the term "decoupling" he/she reasoned that the United States and China were never "a couple"). Second, the diffusion and popularization of indigenous engineering standards will increasingly become a function of both commercial considerations and security/military calculations. Third, an over-securitization of commercial flows could actually lead to fragmentation of rules, norms, standard-setting, and deployment.

Another issue involving the technological race between the United States and China was the defensive and offensive stance of the two superpowers. A panelist explained that both the U.S. and China maintain that they are acting in their own defensive interests, but that they are also weaponizing administrative and regulatory tools to their advantage. This panelist used the example of a Dutch company, ASML, that wanted a license to export an ultraviolet lithography machine to China. The United States ended up extra-territorializing one of its domestic laws and used it against the company. The panelist concluded by arguing that this practice of using a domestic law against a third party would be a trendline that will continue. From the perspective of modernization of military capability, another panelist pointed out a significant development of China's military bases abroad, especially compared to 15-20 years ago.

Taking the defensive versus offensive question beyond the technological realm and into that of security, a panelist emphasized that China is both defensive and offensive when it comes to military-technology modernization. Another panelist warned that China today and tomorrow has more to protect than China yesterday, and that powerful weapons and emerging technologies are going to be more difficult to control. An American panelist went as far as to suggest that China is repeating what happened in the early stages of the Cold War. Beijing has begun to realize that it has the conventional weapons capability to challenge the U.S.; China is in the process of adopting various gradations of nuclear weapon capabilities, and this could mean that the U.S. could stumble into a war involving Taiwan if the U.S. miscalculates Chinese intentions. Another panelist concurred on the dangers posed by China's military-technology modernization. The panelist said that while he/she does not believe that China is trying to overthrow the existing system and replace the U.S., he/she thinks that China surely wants to dominate Asia.

It Takes Two to Tango: Flickering Hope for Cooperation

On the prospects of U.S.-China cooperation, a panelist pointed out that the pandemic demonstrated the inability of the United States and China to cooperate despite facing a common threat. Nevertheless, the panelist expressed a sense of optimism by outlining three windows of opportunity for U.S.-China cooperation. First, ongoing global trends will raise the cost or risk to the U.S. and China if they do not cooperate, especially in areas of cyber warfare, new weapons technology, use of AI, biosecurity, and nuclear safety, to name a few. Second, the outward expansion of Chinese international activities demonstrates that the two countries are increasingly coming into contact in new frontiers. Third, large and aging populations in China and the West will generate a push to depend more on each other.

Despite disagreement amongst panelists on the prospects for U.S.-China cooperation, most panelists agreed that the United States and China can indeed work together amidst escalating competition. An American panelist concurred that there are certainly areas where U.S.-China alignment is more likely, if not already underway. This includes the macroeconomic fronts such as dealing with global inflation, energy prices, and economic recovery.

According to the same panelist, the United States and China are working out their differences on the phase-one deal, which should be viewed as a positive sign. Another panelist from the U.S. side echoed this sentiment by pointing out the broad consensus that a policy of containment against China would not work. The panelist conjectured that there has not been a significant change in the international system or power dynamics that would make a containment policy feasible. The panelist argued that going against every suggestion put forth by China—with an underlying assumption that China has an ulterior motive to overthrow the existing international order—is not tenable, nor is it to the United States' advantage. Another American panelist emphasized that the world should not underestimate China's presence in the developing world. As such, the panelist explained that the Biden administration is holding some space open to see how these global changes are going to drive U.S.-China cooperation by necessity. According to the panelist, the Chinese government feels satisfied with the outcome involving Hong Kong, and is confident with regard to its legitimacy, even though the Chinese government may look fragile and brittle in its constitution.

Disagreement was shared on the importance of U.S.-China cooperation. It was noted by one panelist that, if one looks at the history of cooperation between the United States and China, the benefits are often much oversold, while the risks are underestimated. China only delivers a small percentage of what it initially promised to do, but asks for a payment ten times over. To this, another panelist agreed that China—at least from an economic and technology perspective—has a history of violating the rules and spirit of the WTO, and has harmed every developed country. The panelist argued that the United States has not done its job in calling out China for its malign activities.

Another American panelist pointed out that China is strengthening its conventional as well as nuclear capabilities and is not interested in confidence-building measures or crisis management. The panelist argued that a Cuban Missile Crisis-like situation may be necessary for China to understand that restraint is in its best interest.

Calm Before the Storm: Challenge of the Xi Jinping Regime

According to one panelist, Xi Jinping's resolve to stay in power can be explained by three factors: (1) Xi's unsurmountable leadership as well as his primacy on par with Mao Zedong; (2) Xi's mission to ensure that the Chinese Communist Party does not suffer the same fate as the Soviet Communist Party under Gorbachev; and (3) Xi's conviction that the next cohort of younger leaders are not yet prepared to keep China on the correct path of socialism with Chinese characteristics. The panelist concluded by warning that one should not underestimate Xi's capabilities and determination to protect China's national interests at all costs.

To this, a Korean panelist added that the world should not forget that China did join the Korean War in 1950, less than a year after establishment of the People's Republic of China, and engaged in a war against India in 1962, border conflict with Soviet Union in 1969, and another war with Vietnam in 1978.

A Japanese panelist agreed that Xi Jinping's performance and capabilities so far have guaranteed his stay in the top position; however, it remains to be seen whether his leadership will be able to secure sustainable development for China. According to the panelist, tightened control will only dampen the spirit and morale of entrepreneurs. Additionally, technological advancements—which Xi depends for sustainable productivity growth—may negatively impact employment and income distribution, thereby hindering social stability. The panelist expressed a pessimistic view on the future of China and concluded by projecting that China will rely more on nationalism as the main pillar in support of Xi's leadership.

With regard to the slowing down of the Chinese economy, a Korean panelist argued that the phenomenon is structural, rather than accidental, in nature. The panelist looked to three reasons for China's economic slowdown: (1) China's failure to liberalize the finance system; (2) failure to reform state-owned enterprises; and (3) an aging population. This panelist cited statistics from *The Economist* that estimated Chinese productivity to be about 30% of the United States, well below the Soviet Union in the 1970s, when its productivity was estimated to be around 60% of the United States. To this, an American panelist further explained that Xi Jinping is hoping to use a combination of technology investments and structural reforms, such as reducing the role of the property sector, increasing investments, and shifting to a more domestic consumption-led economy. The panelist submitted that even though China's GDP growth has been declining, an annual growth rate of 3%, over ten years, is still substantial.

Ukraine: Taiwan's Nightmare

One issue that cannot be left out when discussing China is Taiwan. According to one panelist, what is happening in Ukraine offers a good lesson for China in dealing with Taiwan. The panelist argued that it was easy to understand China's intentions toward Taiwan when it had no capability to take military actions against the country. When China lacked capabilities and confidence, it did not support Russia's decision to intervene in Ukraine, because Beijing was mindful of U.S. interference in Tibet during the Cold War. Now that China has the conventional capabilities to confront the U.S. and use military force against Taiwan, this panelist argued that China is allying with Russia, and is consulting with Russia on military matters. This panelist warned that if the United States gets into a conflict over Taiwan, it could be a reversal of the Cuban Missile Crisis, because the geographic factors in the Cuban Missile Crisis were favorable to the United States. Specifically, the panelist pointed out that while the U.S.

was geographically close to Cuba, which put the U.S. at an advantage during the Cuban Missile Crisis in 1962, the U.S. is now a distant power trying to assist an island off the coast of China.

An American panelist raised a point that China is now closely watching the Ukrainian situation to decide how it will handle Taiwan. If Russia were to successfully take military action to separate the eastern part of Ukraine, or if Taiwan challenges the One China Policy, there would be more domestic pressure on the Chinese government to take a stronger stance vis-à-vis Taiwan.

Another American panelist cautiously warned that if America's misjudgments in Asia are as bad as they are in Europe in understanding Russia's actions with Ukraine, there could possibly be a war in the Pacific. The panelist emphasized NATO's mistake of announcing Ukraine and Georgia's membership into NATO following the Bucharest Summit in 2008. Six months later, Russia fought a war over Georgia, and NATO proved to be powerless. This panelist grimly explained that the same situation could be repeated over Ukraine.

Walking the Tight Rope: Caught between the U.S. and China

A Korean panelist introduced a mainstream view in Korea that depicts U.S.-China competition as increasingly malign in nature. Despite the view that the current dynamics are different from those of the Cold War, it is becoming increasingly certain that a bifurcation along values and norms is manifesting. Under such circumstances, the region of East Asia is suffering the symptoms of third-party coercion or proxy competition, where Washington and Beijing are posing to regional states the exclusivity question: "Are you with us or against us?"

The same panelist further expressed growing expectations about the Biden administration. To the panelist, the major difference between Biden and Trump was two-fold: the former focuses on enhancing America's competitive as opposed to blaming and pushing others; and the former values cooperation with allies and partners instead of making them enemies. Against this backdrop, the panelist predicted that the United States will perform a more active role in areas such as Digital Economic Partnership Agreements (DEPA), CPTPP, and WTO reforms.

Panelists also concurred that there is a growing awareness that China is not backing off despite mounting pressure from Washington. If past records are any good indication, China is facing the U.S. squarely in a tit-for-tat strategy; it has never missed an opportunity to retaliate against U.S. trade sanctions in the last four years. To this, an American panelist pointed to a sense of wariness among allies and partners about the United States. Given that China has become a hub for manufacturing and innovation, as well as the largest trading partner for most countries in Asia, it is understandable why third countries would be concerned and pessimistic about the direction of U.S.-China competition. The panelist, however, emphasized the urgent need to focus on affirmative measures, and to not frame America's policy toward China as "countering China."

An American panelist argued that if the United States successfully brings back liberal democracy to show its viability in a problem-solving capacity, third-party countries do not have to worry about China. In his argument, the panelist focused on the Alliance for Multilateralism (an informal forum initiated by France and Germany in April 2019 to bring together partners who have a common interest in multilateral order founded on respect for international law) and middle power diplomacy.

During the discussion, one panelist asked whether there is a possibility that China, faced with economic or political challenges at home, could look outward and focus on stabilizing its periphery. To this, an American panelist responded that the diversionary war thesis is problematic and weak. According to the panelist, China is unlikely to be affected by such a thesis. He/she explained that while Xi Jinping could be different, the likelihood of China starting a war over Taiwan because of economic slowdown or domestic instability is very low.

At the end of the discussion, an American panelist looked to the research by Hal Brands and Michael Beckley and observed that China as a peaking power—not a rising power—would be more dangerous for the United States because it is much more risk-acceptant. To this, another panelist responded that if China successfully continues to push towards common prosperity, solve income equality, and drive migrant laborers into more sustainable living standards, there could be potential for growth. This panelist warned that while China is preoccupied with internal stability at the moment, if it sees major powers on its periphery as being responsible for China's economic slowdown, this could lead to serious problems. Another American panelist added that one of the reasons for China's internal instability is party-military relations; if the PLA budget decreases as a result of economic slowdown, party-military relations could become strained.

Session 2: Indo-Pacific Strategy and U.S.-Korea-Japan Trilateral Cooperation

Key Questions

- What is the U.S. Indo-Pacific Strategy and where is it headed?
- What can we expect from the U.S. Indo-Pacific Economic Framework (IPEF)?
- Does the Quadrilateral Security Dialogue (Quad)—composed of the U.S., Japan, Australia, and India—require a membership expansion?
- What is the future of U.S.-Korea-Japan trilateral cooperation in the Indo-Pacific region?

More than Anti-China Coalition?

Participants presented different views on the purpose of the U.S. Indo-Pacific Strategy. An American panelist indicated that while the Quad and the Free and Open Indo-Pacific Strategy are about China, they are *not* anti-China. Rather, the main focus in the region is on resilience, capacity-building, and the supply of public goods. Another American participant emphasized that U.S. engagement in the region goes well beyond the rise of China, and has been driven by other U.S. interests for many years. On the other hand, a Japanese panelist argued that despite the reluctance to openly acknowledge it, deterring China remains the crux of the Indo-Pacific Strategy. According to this panelist, the most important question is on how the region can bolster deterrence against China, and make it clear that Indo-Pacific states will not tolerate Chinese acts of aggression in the area.

Several American panelists emphasized the importance of the Indo-Pacific Strategy architecture, pointing out that the security architecture in Asia has always been a key agenda for the United States. In this vein, several panelists agreed that the Indo-Pacific strategy will involve multiple levels of cooperation. One American panelist emphasized that the Quad, a group of four large maritime democracies, will continue to be a central entity with regard to the economy, investments, and emerging technologies.

U.S.-Led Indo-Pacific Economic Strategy

Panelists were in consensus that a U.S. Indo-Pacific Economic Framework (IPEF) is important to better facilitate America's role in the region. One American panelist stated that after the IPEF was first mentioned in the East Asia Summit last October, the Biden administration has been hard at work trying to actualize the economic initiative. Another American panelist indicated that this economic strategy will be the most important initiative in the year ahead and emphasized the importance of defining such a strategy within the next six months. One American panelist also stated that the U.S. should be straightforward in saying that it will be taking a pause on trade liberalization due to domestic political problems and that it will instead move to structure its economic framework.

Several participants identified technology and supply chains as two areas where the Indo-Pacific Strategy could effectively expand—including the establishment of rules, norms, and standards in order to govern newly emerging technologies. A Korean participant emphasized that Korea has the potential to contribute greatly to establishing digital standards and infrastructure. Another Korean panelist pointed out that the U.S. lacks a reciprocity principle. For example, despite significant battery and semiconductor investments in the U.S., Korea has not received any quid-pro-quo benefits.

One American panelist questioned whether the U.S. government is developing a strategy to compensate countries in the region for market access. One U.S. government official responded that several "carrots" are under consideration. According to this panelist, these included developing digital standards and frameworks, establishing resilient supply chains, and pursuing decarbonization. The panelist emphasized the historic role the U.S. has played in setting standards and creating basic frameworks in the region. The panelist also stated that establishing resilient and diversified supply chains will be critical in avoiding overdependence on any one country, in any one place. This panelist pointed out that Southeast Asian countries initially had concerns about the concept of a resilient supply chain, thinking that this meant reshoring on part of the United States. However, as their understanding of diversified supply chains has become clearer, countries have begun to embrace the concept. Several panelists emphasized that a future U.S. economic framework requires close consultation with key partners and allies in the region. One American panelist emphasized that Korea and Japan are at the top of the list for consultation in figuring out what a U.S.-led economic framework would be like.

Expansion of the Quad

The expansion of Quad membership was a topic actively discussed among the panelists. One Korean panelist shared his optimism that a review of a step-by-step process for Korea's inclusion in the Quad would be possible. According to this panelist, Korea would first join the Quad's working groups and then look for appropriate opportunities to contribute. On the other hand, a Japanese panelist argued that it is currently too early to expand the Quad membership. The panelist emphasized that it is much more important to focus on institutionalizing and operationalizing the Quad with its current members. While there was an agreement that the Quad will eventually have to act in a Quad-plus format, some argued that it was too premature to pursue this goal. The Japanese panelist pointed out that the U.S., Japan, and Australia should be more focused on keeping the fourth member, India, engaged.

Expanding the Quad's role in the Indo-Pacific was also a highly discussed topic. One Japanese panelist saw the Quad as an effective network or platform from which to deter Chinese encroachment against the status quo. In this context, the Quad would directly confront and strengthen resolve against Chinese expansionism. Another policy prescription was that the Quad should figure out ways to assist member countries against Chinese economic threats and embargoes. One American participant indicated that the inclusion of semiconductors as an area of alignment in the Quad joint statement reflects how Quad's concept of security has expanded.

Panelists also actively discussed the role and strategic reasoning behind the establishment of AUKUS. One American panelist emphasized that Britain and Australia have turned against China in the wake of growing Chinese coercion. Subsequently, a Korean panelist pointed out that the creation of AUKUS was a move intended to bring Britain into the Indo-Pacific region, where it has an incentive to play a bigger role. A Korean panelist questioned America's willingness to accept Germany's interest in engaging in the Indo-Pacific region. In response, an American panelist answered that there is a limit to France or Germany's involvement in the Indo-Pacific region.

Future of the Indo-Pacific: India's Role

Several panelists identified India as a critical player in the Indo-Pacific Strategy. An American panelist indicated that it is very clear that India and South Asia will become increasingly important to global growth in the next 30 years. The panelist emphasized that while the Quad is an important part of keeping India engaged in the region, it is also vital to strengthen bilateral ties with India independently to encourage India's greater role in the region. Key regional partners such as Korea and Japan were also encouraged to build their own ties with India.

One American panelist stated that U.S.-India and Japan-India bilateral ties would determine the level of ambition that states could have for the Quad. Additional collaboration with India in areas of security and defense would open up the aperture for what could be achieved by the Quad.

Despite such positive expectations for India, one Japanese panelist pointed out the difficulties concerning engagement with India. The panelist stated that security and economic cooperation with India is difficult because India is not a part of the U.S. alliance network, and a difficult market for the Japanese business community to work in. Concerns were also raised regarding India's state of democracy, human rights issues, and its security relationships. In addition, the Japanese panelist raised concerns regarding India's close military relationship with Russia, highlighted by the S-400 missile system deals and Reciprocal Exchange of Logistics Agreement.

Strengthening U.S.-Korea-Japan Trilateral Cooperation in the Indo-Pacific

Panelists agreed on the importance of U.S.-Korea-Japan trilateral cooperation in the Indo-Pacific region. One U.S. government official stated that expanding U.S.-Korea-Japan trilateral cooperation is critical for strengthening the United States' role in the Indo-Pacific region. Trilateral cooperation will especially be important in promoting an open, connected, prosperous, resilient, and secure region. One Korean panelist emphasized that trilateral coordination to cope with Chinese and Russian joint military actions surrounding the Korean Peninsula is also critical. One Japanese participant mentioned that Sino-Russian strategic collaborations, such as joint long-range patrols through Dokdo and the Senkaku islands, could be a potential driving force for trilateral cooperation. The participant suggested that the U.S., Japan, and Korea should conduct military-level consultations on standard operating procedure (SOP) to avoid accidental collisions in such cases.

Several panelists called for increased participation by Korea in the Indo-Pacific region, with one American panelist pointing out that Korea currently lacks its own Indo-Pacific strategy. One Japanese participant stressed that both Korea and Japan are required to play a proactive and positive role in the Pacific area. One American participant agreed that Korea and Japan should be able to play a bigger role in the Indo-Pacific, and suggested having deeper discussions on steps Korea could take to reduce economic reliance on China, and on how Japan could play a greater role in Taiwan.

Concurring with such calls, one Korean panelist shared the view that Korea should broaden its interests and attention in the maritime domain. The panelist also stated that Korea should be more widely engaged in promoting digital infrastructure, and should seriously consider joining the Quad and CPTPP. However, the panelist admitted that Korea's security priority remains the deterrence of North Korean provocations.

Participants also discussed ways to improve Korea-Japan relations. One American panelist bluntly stated that Japan has no real strategy for shaping developments on the Korean Peninsula, despite the peninsula being a critical aspect of Japan's foreign policy strategy. A Korean panelist pointed out that Korea-Japan relations have deteriorated due to historical controversies, divergence in threat perceptions of China and North Korea, and a gap in defining regional strategies. The panelist stated that the U.S. cannot fix historical controversies between Korea and Japan, but it can upgrade trilateral security cooperation and cooperative frameworks in the Indo-Pacific region. The panelist also suggested that Korea and Japan should work together to promote two goals: denuclearize North Korea, and contribute to the U.S. Indo-Pacific Strategy.

Participants also discussed how it would be possible for Korea and Japan to support the Biden administration's Indo-Pacific Strategy by promoting democratic values. This is especially pertinent due to growing concerns by the Biden administration that the state of domestic as well as global democracy is in decline. A Japanese panelist agreed that Korea and Japan could play a more proactive and positive role in the region to promote freedom of speech, free markets, rule of law, and human rights.

Supply chain resilience and technology industries were posited as areas where enhanced trilateral cooperation could offer tremendous opportunities. An American panelist stated that all three countries have tremendous expertise in these areas, making cooperation an even greater possibility. In this context, a Korean panelist emphasized that Korea should not be confined to digital diplomacy or economy, but should actively join capacity-building for digital infrastructure in the Indo-Pacific region.

Panelists discussed whether the next Korean administration would come out with their own Indo-Pacific strategy, or even feature the Indo-Pacific concept in its policy. One Korean panelist pointed out that Korea remains unfamiliar with the Indo-Pacific concept. Therefore, an 'Asia-Pacific' strategy may be more applicable to the nation. A Korean panelist stated that while the term "Indo-Pacific" remains ambiguous at the moment, the next Korean administration will adopt a strategy towards the wider region beyond the Korean Peninsula, including Southeast Asia, India, and Oceania.

Session 3: North Korean Denuclearization and U.S.-ROK Alliance

Key Questions

- What should the United States and its allies do to encourage North Korea to resume denuclearization and inter-Korean talks, especially in light of the current stalemate?
- Assuming that denuclearization talks resume at some point, what are the realistic objectives that can be achieved over the next year or two?
- Since complete elimination of North Korea's nuclear and missile capabilities seems unlikely, what should America's allies do to strengthen defense and deterrence in order to reduce political pressures and chances of conflict?

North Korean Denuclearization: All Hope Lost?

Many panelists were deeply pessimistic toward the possibility of productive engagement with North Korea. According to one American panelist, this pessimism stems from North Korea's constant rejections of U.S. proposals for engagement. This panelist was adamant that Chairman Kim Jong-un will not, under any circumstances, get rid of his nuclear deterrent, what he calls his "treasured sword." As such, the panelist predicted that Kim will only *limit*—not eliminate—North Korea's nuclear missile capabilities temporarily in exchange for substantial sanctions relief and other benefits when negotiations restart.

Moreover, the panelist argued that Kim is building up North Korea's deterrence capabilities in order to better position himself during future U.S.-DPRK negotiations. Even if negotiations fail, Kim will still possess a potent nuclear deterrent vis-à-vis the United States, which will likely convince Kim that he can muddle through without having to sign an agreement. On the other hand, the panelist observed that U.S. leverage is extremely limited even though the North Korean economy appears to be in dire shape. According to the panelist, the Biden administration is unlikely to take unilateral steps due to domestic resistance and the possibility that the North may pocket any concessions and simply ask for more. The panelist recommended that the U.S. continue to enforce existing UN sanctions, work with the ROK and Japan to maintain a unified front, and publicize its practical, incremental approach to negotiations. Adding to the list of non-unilateral steps, a Korean participant proposed two potential ways to effectively engage China: one is to return to the Six-Party Talks and acknowledge China's leadership in a multilateral setting, and the other is to propose a Four-Party Talk mechanism, which has never been tried before.

One American panelist shared the pessimism expressed by the previous speakers. This panelist assessed that the United States has failed to induce North Korea's cooperation despite having tried numerous different approaches. This has led to North Korea's growing nuclear and missile threats, in addition to its increasingly advanced chemical, biological, and conventional weapons capabilities. As such, the panelist suggested that the United States start by identifying and analyzing policies that have failed to work. For example, the panelist assessed that withholding sanctions relief in response to North Korean actions toward denuclearization would not work. Specifically, the panelist argued that the United States' failure to implement follow-up measures, such as normalization of U.S.-DPRK relations, led to the breakdown of the 1994 Agreed Framework.

The panelist concluded by referencing the "no-regrets strategy," saying that the United States must force the issue and not wait for North Korea to act first. For example, the United States must try *anything* that can induce North Korea to act, including forms of pressure as well as humanitarian assistance, security assurances, economic benefits, or a peace mechanism. As part of this effort, the panelist suggested that the United States add a "top-down direction" to its strategy, including the appointment of a trusted ambassador to help with diplomacy—similar to Ambassador Robert Gallucci's role during the Geneva negotiation. One Korean panelist concurred that Kim Jong-un is unlikely to give up his nuclear and missile capabilities. This panelist predicted that Kim may offer Yongbyon and some of his tactical weapons in exchange for complete sanctions relief when the United States and North Korea return to the negotiation table. However, the panelist firmly believed that Kim will leave his ICBMs and SLBMs off the table and, in essence, make North Korea a nuclear weapon state with nuclear deterrence capabilities vis-à-vis the United States. According to the panelist, Kim's recent decisions stem from his past miscalculations involving President Trump's willingness to accept his proposal to exchange the closure of the Yongbyon nuclear compound for sanctions relief. Realizing that his leverage had been limited, Kim decided to diversify his options by developing new types of ballistic, cruise, and even hypersonic missiles as well as tactical nuclear weapons before reengaging with the United States.

Is No Deal Better than a Small Deal?

While all the panelists agreed that the United States, Korea, and North Korea should re-engage, they also expressed deep skepticism toward finding a solution. In spite of this widespread skepticism, one panelist identified near-term measures that the Biden administration will likely take in order to arrest the growth of North Korea's nuclear and missile programs. One is a moratorium on ICBMs as well as medium- and short-range missiles that threaten Korea and Japan. The other—a more ambitious step—is to shut down the Yongbyon nuclear complex in addition to one or two previously undeclared nuclear facilities outside of Yongbyon. This could later expand to a ban on fissile materials productions throughout North Korea and resumption of IAEA inspections.

Another participant criticized the Moon government for separating the nuclear issue from inter-Korean relations, and devoting attention only to the latter while leaving the former to the United States. With the Korean presidential election fast approaching, this panelist advised the next Korean government to pursue both dialogue and deterrence in its policy toward North Korea and continue to urge North Korea to come back to negotiations at any time, any place, and without preconditions. Once negotiations resume, both sides need to seek an agreement toward a comprehensive roadmap, the end-state of which is complete denuclearization of North Korea and the settlement of a permanent peace mechanism on the Korean Peninsula with a gradual implementation process.

Conventional Way Out: Alliance, Deterrence, and Korea-Japan Relations

Throughout the session, there was an overwhelming sense of agreement among the participants that the biggest change in North Korea has been the rapid advancements of its nuclear, missile, chemical and biological, as well as conventional military capabilities. In light of such major developments, all panelists from Korea, the United States, and Japan stressed the critical importance of maintaining alliance solidarity and robust deterrence capabilities. One American panelist agreed by observing that President Biden has returned to honoring the traditional alliance-shared values and principles, ended attempts to make profits out of American forces stationed overseas, resumed criticizing North Korea's human rights violations, and begun enforcing U.S. laws and UN sanctions resolutions. Concurrently, Korea has made impressive leaps in military capabilities, partly as a result of increasing its annual defense budget by 7-8%. The panelist suggested that, in conjunction with the efforts to improve its military capabilities, Korea should take greater military responsibilities beyond the Korean Peninsula. According to this panelist, one potential avenue would be to play a larger role in ensuring freedom of navigation in the South China Sea.

Another American panelist opined that while the reintroduction of tactical nuclear weapons on the Korean Peninsula or nuclear weapons in Okinawa are "bad ideas," there are some aspects of the NATO nuclear cooperation that can be applied to East Asia. Specifically, the panelist stressed that America's allies could play a greater role in the planning, if not the operation, of U.S. extended deterrence commitments in the region. One Korean panelist added that the United States and Korea could explore ways to strengthen the reliability of U.S. extended deterrence by revitalizing the EDSCG (Extended Deterrence Strategy and Consultation Group).

One American panelist argued that Korea must improve its C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance) capabilities to address existing deficiencies that hinder OPCON transfer as well as allied operations. The United States, on the other hand, must continue to make unequivocal commitment and statements to defend Korea, including the affirmation of current force levels and extended deterrence guarantees. The panelist recommended that both countries review their missile defense plans in light of North Korea's growing missile capabilities, make sure they are not rushed into OPCON transfer prematurely, and return to pre-COVID levels of joint military exercises.

One area of concern among the panelists continued to be Korea-Japan relations. A Japanese panelist explained that Japan may fail to play an important role in dealing with North Korea because of the domestic sensitivities involving the Japanese abduction issue. Moreover, the panelist identified non-DPRK issues, such as the comfort women and forced labor issues, as obstacles to Korea-Japan relations, which could eventually hamper their cooperation on North Korea. Another Japanese panelist lamented the lack of a detailed and comprehensive assessment of deterrence. In this vein, the panelist proposed that the United States, Korea, and Japan conduct a joint study on deterrence. The panelist also suggested an information-sharing coordination center among the three countries that can surveil and track North Korean military activities.

China: Reluctant Backer or Spoiler?

Throughout the discussion, China was identified as a critical piece in dealing with North Korea. One American panelist stated that Chinese cooperation, at least Chinese acquiescence, is required for the United States to have any success in dealing with North Korea. However, there was overwhelming agreement among the panelists that convincing China to play a more constructive role will prove difficult. Much of this has to do with Chinese reluctance, especially amidst intensifying US-China strategic competition. For example, participants pointed to recent Chinese statements that it is unwilling to cooperate unless the United States address its concerns on issues unrelated to North Korea.

One American participant noted that China's strategy toward the North has undergone a significant shift from managing denuclearization to seeing North Korea as a straight-up buffer state. In response to Chinese reluctance, many of the American and Korean panelists agreed that the two countries must continue to call for Chinese help, making clear that unless North Korea's nuclear and missile capabilities are limited, the U.S. will be forced to respond in ways that China will not appreciate, including the expansion of U.S. missile defenses and the strengthening of economics sanctions against the North. One Korean participant went on to argue that the United States should level secondary sanctions, or secondary boycotts, against Chinese banks and financial institutions for their illegal dealings with the North.

Sanctions: Last Remaining Leverage?

There was also widespread agreement surrounding the important role of sanctions. Multiple Korean panelists argued that sanctions remain the only leverage that the United States has against the North. One Korean panelist argued that the international community succeeded in setting up an unprecedentedly powerful sanctions regime by the end of 2017. However, the sanctions regime quickly crumbled before it could be fully implemented over an extended period, which could have provided Kim with two choices: self-destruction with nuclear weapons, or regime survival through denuclearization. The panelist reasoned that North Korea's peace offensive and President Trump's "reality show" summitry with Kim Jong-un were reasons for this failure. The panelist added that existing sanctions must be thoroughly enforced by all the nations, especially China and Russia, in preparation for eventual negotiations.

Another Korean panelist argued that sanctions alone are unlikely to achieve CVID (Complete Verifiable Irreversible Dismantlement) or FFVD (Final, Fully Verified Denuclearization). However, the panelist stressed that sanctions will keep Kim Jong-un on the negotiation track. The panelist also proposed that the international community pursue economic avenues to develop North Korea's economy, since permanent denuclearization will only be possible when North Korea's economy becomes integrated with the global economy. One American panelist added that sanctions were never meant to be carried out alone and that they were supposed to be part of a more comprehensive and integrated strategy.

Special Address

WI Sunglac Chairman, Pragmatic Foreign Policy Committee for Presidential Candidate LEE Jae-myung

It is my privilege and honor to be here with distinguished participants from Korea, the United States, and Japan. I appreciate the invitation from the Chey Institute.

Let me briefly talk about Candidate Lee's North Korea policy. Candidate Lee's thoughts and policies towards North Korea are frequently misunderstood. There is a presumption that Candidate Lee's North Korea policies are ideology-driven and appeasing—that is not true. Candidate Lee stands firmly on realism and pragmatism in his North Korea policy. He is a pragmatic and realistic engager. Candidate Lee believes North Korea's nuclear program and missile program are serious security issues to be resolved with top priority. He is of the view that the Republic of Korea, who is the most immediate party to the issue, should play a bigger role in resolving the problem.

He stated two basic stances on North Korea's nuclear issue. First, behind the nuclear issue, a multitude of factors are at play, ranging from mutual mistrust, security dilemmas, and willingness to hold on to its nuclear program as means for bullying and as a bargaining chip [to use] to its advantage. With such a variety of factors involved, there should also be a holistic approach toward a comprehensive solution, and a multitude of measures used to resolve the issue. Second, although negotiations and engagement with North Korea will be conducted in a flexible manner, breaches of promises or wrongdoing by North Korea will be addressed and responded to in a square manner.

Let me share with you the general outline of Candidate Lee's policies on North Korean denuclearization and peace on the Korean Peninsula. His policies will be based on the two principles I introduced a minute ago, and can be organized in the following five ways.

First, he will not only use talks and negotiations, but also mix a variety of measures such as incentives, disincentives, sanctions, and pressure.

Second, [he will] use tactics for advancing denuclearization and establishing peace and make the two processes benefit from each other's progress and generate a synergy effect. Over time, we have learned that we need to advance these two tracks to make meaningful progress.

Third, international coordination and inter-Korean talks should be conducted side-by-side and made to work complementarily toward the goal of denuclearization and peacebuilding. Close coordination with the United States and Korea-U.S.-Japan trilateral coordination are crucial in this endeavor.

Fourth, a step-by-step approach is unavoidable due to the fact that North Korea is extremely adamant. In case we accept the idea of agreeing on pieces and implementing them step-by-step, we have to make the pieces as big as possible. Thin and small pieces of salami may be thrown away more easily. So, we have to agree on big chunks and make North Korea think twice when they think of running away from agreements.

Fifth, the conventional practice in addressing this problem was to use a step-by-step approach and agree on easier issues as an initial step—but easily made agreements may break down easily. With that said, we may have to consider the idea of mixing easier issues with more significant ones, such as denuclearization, security, and peace, even in the first chunk of an agreement.

In a nutshell, the Lee administration will do its best to achieve meaningful progress in denuclearizing North Korea and establishing enduring peace on the Korean Peninsula through a realistic and pragmatic approach. It will save no attention and energy in its efforts to make a significant breakthrough in denuclearization and peacebuilding. During the process, we will consult and coordinate very closely with the United States, an ally, and Japan, a close partner.

KIM Sung-han Foreign Policy Advisor to Presidential Candidate YOON Seok-youl

First of all, I would like to thank the Chey Institute for giving me this great opportunity to speak online to distinguished experts and well-informed journalists. The theme of this session is North Korean denuclearization and the ROK-U.S. alliance. For the sake of saving time, let me raise five key points quickly to summarize Candidate Yoon Seok-youl's position about North Korean nukes and the ROK-U.S. alliance.

First, Candidate Yoon pursues a complete denuclearization of North Korea. But he is not taking the position of choosing between a so-called big deal and a small deal. North Korea's behavior over the past three years tells us it will be very hard to come up with a dramatic breakthrough in denuclearization. From Singapore up to this point, North Korea has not mentioned negotiating a roadmap for denuclearization, indicating that North Korea is only interested in a kind of self-initiated, or partial denuclearization, rather than an agreement on complete denuclearization, that is often called a CVID (Complete, Verifiable, and Irreversible Dismantlement). In this vein, as Ambassador Wi already pointed out, a step-by-step or a staged approach will be unavoidable; but we need to try hard to make North Korea take difficult steps in the first stage, rather than frontloading easier steps in the first stage. For the past 30 years, we have been unsuccessful in drawing a sustainable outcome by frontloading easier steps.

The second point is then how to achieve real progress in denuclearization. We need to maintain [the] UN Security Council Sanctions Resolution intact until North Korea makes real progress in denuclearization. We need to prepare a package of incentives such as economic assistance. Inter-Korean economic development plans and a U.S.-ROK-North Korea trilateral liaison office either in Panmunjom or in Washington, if North Korea wants. In this light, a snapback kind of approach is not desirable. If you look at the current U.S.-China and U.S.-Russia relations, [it] would be very hard to expect economic sanctions to be reinstated when North Korea betrays our trust. Nevertheless, Candidate Yoon believes humanitarian assistance will be provided to North Korea even before denuclearization.

Third, an end-of-war declaration is premature at this juncture, especially when North Korea is not asking for an end-of-war declaration in exchange for real progress in denuclearization. Instead, North Korea is asking the United States to terminate its hostile policy toward North Korea. North Korea is demanding the ROK abandon its so-called "double standard" that brands North Korea's ballistic missile tests as a provocation, while justifying ROK missile tests as a deterrent measure.

A peace treaty usually starts with an end-of-war declaration, and then moves into specific measures to maintain peace. But the Moon Jae-in government has not been able to persuade the people why the end-of-war declaration, which would usually be the preface to the peace treaty, should be pursued separately at this juncture. The U.S. government is using the term of end-of-war "statement," not "declaration." This is an interesting part. I cannot figure out the difference between the two. But it seems to me that the Biden administration is making the utmost effort to prevent the cleavage in their North Korea policy from being exposed to the public.

That is why we need the fourth point: to bolster extended deterrence between the ROK and the United States. North Korea's nuclear and missile technology advancements are the most urgent problem confronting us at the moment. To cope with this conundrum, we will bolster extended deterrence between our two allies. Candidate Yoon believes we need to put in place a ROK-U.S. consultation process for U.S. deployments of strategic nuclear delivery systems, such as ICBMs, SLBMs, and long-range strategic bombers, to promote the ROK's participation in the U.S. extended deterrence deployment process. We could also carry out regular military exercises to respond to the North Korean nuclear threat.

Finally, Candidate Yoon firmly believes that the ROK-U.S. alliance is the central axis of the ROK's foreign affairs and national security, because this is the right way of coping with a North Korean threat as well as dealing with non-traditional security challenges in the region.

If the Yoon government is inaugurated, it will rebuild the ROK-U.S. alliance by sharing its visions and interests with the United States on the foundation of liberal democratic values and actually building in action, and not words, on the ROK-U.S. comprehensive strategic alliance. To that end, a Yoon Seok-youl government will hold regular "2+2" foreign and defense ministers talks with the United States. We will also consider "2+2" talks between the foreign and economic ministers of the two countries, with a view to dealing with economic security issues in the era of U.S.-China strategic competition. In addition, we could even think of "2+2+2" among the three of us—the U.S., Korea, and Japan—if we want to normalize ROK-Japan relations in the new future.

Session 4: Scientific Innovation and Geopolitical Impact

Key Questions

- How do advanced technologies influence geopolitical dynamics?
- What role can the U.S. and its allies play in upholding a sustainable innovation environment?
- What technologies must we leverage to achieve ambitious net-zero carbon goals?

Threatening Advance of Chinese Technologies: A Belated Wake Up Call

Against claims by naysayers of state capitalism, China has demonstrated that it can dominate in advanced-technology industries, particularly engineering and increasingly science-based industries. One American expert cited that, relative to the U.S. in 2006 and 2017, China went from 80% to 120% in R&D spending (as share of GDP), 52% to 162% in medium-to-high technology manufacturing, 50% to 145% value-added in the semiconductor industry, and 8% to 215% value-added in supercomputers. Another American panelist supplemented concerns regarding China's success in global innovation, citing that China has extended its lead in the number of international patents filed and granted. The sheer number of patent applications is seen as an issue, with China having 1.4 million applications in 2019—a quarter-million more than the U.S., ROK, and Japan combined. Panelists agreed that China intends to become the global leader in advanced technologies and has emerged as a serious competitor for the United States and its allies.

The rise of China has revealed weaknesses inherent in the United States' R&D industrial base. An expert in the information technology (IT) sector observed that while the U.S. remains a leader in global brands, advanced hardware designs, software architectures, and global services, it heavily depends on China for manufacturing, Taiwan for semiconductors, and India for IT services. The U.S. overly focused on high value-added industries, allowing China to dominate low value-added industries. As China seeks to move up the value chain, these dependencies raise concerns about supply chain fragility.

Multiple U.S. panelists pointed out the lack of government priority in relevant strategic sectors. For example, a policy expert noted that the U.S. government drastically cut down funding for the U.S. Innovation and Competition Act (USICA) while investing trillions of dollars into potentially useful but not fundamentally relevant sectors, such as roads, buses, and daycare. In addition, a critique was raised on the U.S. government's technological illiteracy and the country's false sense of complacency.

Beyond the national-level, China's rise in advanced technologies has raised issues of governance. An American panelist stressed that the WTO currently categorizes countries based on per capita income. Using this formula, China is still considered a developing country, which means it has certain advantages involving its treatment of intellectual property, including shying away from responsibilities for intellectual property theft. He/she further emphasized that the WTO should instead categorize nations based on levels of development and should ultimately revoke China's developing country status, given China's advanced high-tech industry.

Throwing Sand in China's Gear & Speeding Us Up

U.S. panelists concurred that further engagement and dialogue are unlikely to change China's unfair innovation mercantilist policies. In this win-lose scenario, the U.S. panelists agreed that policy evolutions would be essential to counter China's rise and enable the U.S., its allies, and partner companies to be more competitive. A U.S. policy expert suggested that the U.S. and its allies should try to limit technology transfer to China via export controls, and restrict importing goods derived from China's unfair mercantilist strategies. For example, Chinese products that benefit unfairly from apparent intellectual property infringement should be banned from global markets. It was also stressed that the U.S. must speed up innovation in tight partnerships with its allies. In addition, those governments must allocate more funding and actively implement industrial policies in areas that can meet strategic industry and technology challenges involving AI, semiconductors, and aerospace.

Another U.S. panelist agreed that the U.S. and its allies should take advantage of a strength not shared by its adversaries: an active set of alliances and international partnerships. In particular, international innovation networks among governments, between state and non-state actors, and among academic institutions were highlighted as essential counterweights to a rising China. These partnerships will create more resilient supply chains and, reciprocally, robust international supply chains will help strengthen partnerships.

Another U.S. expert stated that allies like the ROK and Japan could speed up innovation in semiconductor technologies and ultimately alleviate U.S. dependency on Taiwan. However, the panelist warned that each country has its own interests in the digital sector that may not necessarily coincide with American interests. Both Korean and Japanese panelists agreed that industry leaders are much less keen on cutting off integration with China due to corporate incentives and fear of Chinese retaliation. To move forward, U.S. and Japanese delegates encouraged the U.S., ROK, and Japan to collectively frame technology security as part of a larger national security strategy, and ensure that the private sector understand the critical importance of safeguarding strategic and sensitive technologies.

As best summarized by an American policy expert, for the U.S., ROK, and Japan to lead in global innovation, we must, "slow China down and speed us up."

Leveraging Technological Innovation for 'Sustainability'

A Korean panelist pivoted the agenda to leveraging technological innovation toward net-zero goals. The U.S., ROK, and Japan have promised to reach net-zero by 2050. As countries move towards such goals, new storage devices supported by artificial intelligence and hydrogen technology will be critical for overcoming grid stability issues.

One U.S. panelist added that experts from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) agree that nuclear energy is an indispensable energy source for net-zero goals. As the U.S., ROK, and Japan squandered their leadership in the nuclear energy sector, China and Russia's pledge to play a more significant role through bilateral nuclear energy projects has raised concerns about their geostrategic influence in Asia and Africa. The U.S. and its allies must step up their efforts in developing next-generation nuclear power—such as small modular reactors and advanced enrichment—to regain the lost initiative.

If leaders do not bolster government investments and policies, the U.S., ROK, and Japan may miss their climate goals while also missing their national security, economic security, and technology goals.

Regarding EV (electric vehicle) batteries, both Korean and American experts raised concerns about China being responsible for over 60% of core materials (raw materials and key components). A Korean panelist stated that decreasing reliance on China for battery core materials would increase production costs. However, the social values gained, such as carbon emission reduction and diversification of global public goods, could outweigh increased production costs. He/she urged that the U.S. and its allies treat core energy technologies as global public goods and work together—for example, in developing long-life batteries—to build a diversified ecosystem that can effectively contribute to carbon neutrality.

Another Korean panelist agreed that while decarbonization might initially be an area of cooperation, it could be ridden with conflicting and sensitive issues such as cross-border carbon adjustment, carbon taxes, and other carbon-related regulations. Thus, policy leaders need to speed up discussions on setting new international regulations, standards, and norms.

Session 5: The Future of Global Supply Chains and Sustainability

Key Questions

- What are the security implications of the global supply chain?
- What are the challenges faced by the semiconductor and EV battery industries, and how can each industry respond?
- What are the pathways to establish a resilient supply chain and a sustainable ecosystem through international cooperation?

Securitization of the Global Supply Chain

A U.S. delegate commented that a newly established working group within the White House is focusing on supply chain issues. This delegate also remarked that following the 100-day report released on June 8, 2021, the White House will release another round of reviews in February 2022, on six critical industrial bases—defense, public health, information & communication technology, energy, transportation, and agriculture and food.

Regarding the Biden administration's efforts to rebuild America's supply chain, a Japanese delegate suggested, as an intermediate strategy, that the U.S. seek to diversify its supply chain through cooperation with allies. Recalling the downfall of Japan's semiconductor industry in the 1990s, this delegate commented that establishing a fully-integrated supply chain within the U.S. would entail difficulties, as the U.S. lags behind China, Korea, and Taiwan in manufacturing capabilities.

Japanese delegates conveyed a unified message that Korea and Japan need to revamp their diplomatic relations and resume senior-level dialogues. Specifically, a Japanese delegate emphasized that the Kishida administration and the incoming administration in the ROK need to seize the political window to restore bilateral relations. The delegate argued that the ROK and Japan need to resume Ministry of

Economy, Trade and Industry (METI) dialogues and promote senior-level trilateral technology dialogues among the U.S., ROK, and Japan, in the areas of lithium batteries and semiconductors.

A U.S. delegate observed that amid US-China competition, Chinese students graduating with STEM degrees in leading U.S. universities are now seen as having consequences for national security. However, another U.S. expert emphasized that international collaboration at the pre-competitive stage still remains crucial for leapfrog innovations. This expert argued that international collaboration through partnership models such as IMEC (Inter-university Microelectronics Center: a global semiconductor R&D network of 95 nations and 5,000 researchers) must be encouraged.

This expert added that the astronomical cost of building a leading-edge chip fabrication facility has led suppliers such as TSMC (Taiwan Semiconductor Manufacturing Company) to dominate the advanced foundry market. A U.S. delegate remarked that TSMC successfully identified market demand for economies of scale in leading-edge manufacturing, which requires huge capital investment. The delegate commented that such approach is contrary to U.S. entrepreneurship, which prefers "capital light" business models. The delegates agreed that dependence on a sole source is not ideal for security and resilience, and the U.S. needs to boost its own leading-edge chip manufacturing capability in order to diversify sources.

Advanced Semiconductors

A U.S. expert, quoting a 2017 Deloitte-SEMI survey in which 82% of the U.S. semiconductor industry executives reported a shortage of qualified technical candidates, argued that investing in a workforce is crucial to building a resilient supply chain. This expert emphasized that investment in soft infrastructure (workforce) is equally important as investment in hard infrastructure (facility & equipment) and innovation (R&D pipeline). The expert added that for sustainable growth of the industry, innovations to improve performance and energy efficiency in integrated circuits and systems are needed not only at the product level, but also at all levels of the technology spectrum, including manufacturing processes.

In this light, the expert shared ideas for the role of university education in developing a semiconductor workforce. The expert argued that universities need to actively engage in partnerships with industry leaders through long-term collaboration, joint projects, and knowledge transfer in order to provide students with an up-to-date curriculum. The expert added that properly equipped and staffed hub universities within a regional collaborative network can provide hands-on training, organize industry internships, and support entrepreneurial activities.

This expert also emphasized that collaboration skills will become increasingly important to solve today's complex challenges, such as the pandemic, climate change, and inequality. The expert presented the National Academy of Engineering (NAE)'s Grand Challenges Scholars Program as an exemplary model—a program geared toward cultivating entrepreneurship, social awareness, and multidisciplinary and multicultural competencies for engineering students.

A Korean expert observed that the demand and supply shocks caused by COVID-19 have triggered fundamental changes in the semiconductor industry. Quoting the former CEO of Intel, Andy Grove, who said, "only the paranoid survive," this expert emphasized the importance of being hypersensitive to fundamental changes, or inflection points, in technology business.

The expert outlined three inflection points in the semiconductor business. The first inflection point is *technology*. The global demand for data generation is predicted to grow more than tenfold, from 15 zettabytes (1 zettabyte = 10^{12} gigabytes) in 2015 to 180 zettabytes by 2025. However, the average cost of ramping up an advanced fabrication facility today is $20 billion. The expert emphasized the importance of technological advancements, which is crucial in bridging the gap between growing demand and limited manufacturing capacity.

The second inflection point is *geopolitics*. The expert noted that while nations are driven more toward domestic sourcing due to changing geopolitical dynamics, the globalized and complex nature of the semiconductor business makes this task 'impractical.' The expert remarked that semiconductor manufacturers need to respect the strategic and national security values associated with their businesses, and develop realistic and strategic plans that take into account complex geopolitical dynamics.

The third inflection point is *sustainability*. The expert argued that businesses now have to plan for climate change variables, such as access to fresh water and extreme weather events, while customers increasingly demand carbon neutral sourcing. The expert emphasized that businesses now have to reflect ambitious climate goals in their key business decisions amid the lack of proven sources of affordable renewable energy.

EV Batteries

A U.S. expert began by emphasizing the growing importance of battery and energy storage technology in the effort to clean up the environment. The expert added that in 2019, the Nobel Committee recognized three laureates (John Goodenough, Akira Yoshino, and Stanley Whittingham) in chemistry as having "laid the foundation of a fossil-fuel society" with their work on lithium-ion batteries. This expert remarked that the current battery industry is challenged by a highly globalized supply chain. The globalized nature of supply chains incurs significant transportation costs. For example, most of the 50-80kWh (kilowatt hours) of energy needed to assemble 1kWh of lithium battery is exhausted during the transportation of source materials and battery parts to around the globe. As such, the expert deduced that regional supply chains must be established as a way to reduce transportation costs. In this vein, the expert warned against China's ambition to dominate the EV and lithium battery supply chains, which has implications both in terms of security as well as energy efficiency.

Meanwhile, the expert noted Europe's multibillion-euro projects to establish a regional supply chain by vertically integrating mining and primary processing of minerals using clean hydropower in Scandinavia, with final assembly in Central Europe. This expert argued that the U.S. also needs to develop a 'regional supply chain' in North America by collaborating with Canada, which has graphite, nickel, and lithium sources and clean hydropower for primary processing. The expert added that the regional supply chain will also open up opportunities for more efficient recycling operations by allowing used batteries and retrieved materials to cycle through localized chains.

The expert also noted that the U.S. scientific communities, which have pioneered the initial efforts in developing the basic science for lithium batteries, can contribute to a more resilient supply chain by reducing the content of critical elements, such as cobalt, in the battery chemistry. The expert mentioned that the cobalt content in lithium batteries has been reduced to 10%, and will likely reach 0% within the next three to five years given recent technology advances. The expert added that graphite, most of which is processed in China, also poses a challenge.

The expert concluded that reviving manufacturing capabilities will take tremendous political will and investment. The expert argued that in order to jumpstart its battery industry, the U.S., as an intermediate step, needs to collaborate with suppliers in Asia to build its domestic manufacturing base and train its workforce.

A Korean expert noted that the global EV market is projected to grow at 13.5% annually, implying that the market for batteries—which represent about 40% of the value of a vehicle—will also continue to grow rapidly. The expert emphasized that the value chain for lithium batteries, which many consider to be the '21st century version of oil,' holds significant meaning for national security. In addition, the expert remarked that, under the rigorous global net-zero initiatives, the demand for grid-level energy storage systems, which are crucial for utilizing renewable energy, will continue to increase.

Given the increasing global demand for energy storage, this expert questioned the sustainability of the existing battery supply chain, in which 97% of EV battery demand is met by suppliers in China, the ROK, and Japan. The expert noted that primary processing of raw minerals to precursors is mostly done in China due to its cheap labor and loose environmental regulation, while the secondary processing facilities—for the production of cell components such as cathodes, anodes, electrolytes, and separators—and the final assembly plants are located internationally.

The expert emphasized that the battery business is in essence a winner-take-all competition, requiring high capital investment at tight margins and facing high risks of product recalls. In this context, the expert mentioned that while the Biden administration has kicked off initial efforts to build an integrated domestic supply chain through efforts such as the Federal Consortium for Advanced Batteries, the most realistic pathway for the U.S. is to collaborate with suppliers in allied countries such as the ROK and Japan, adding that the current partnerships between SK and Ford as well as LG and GM serve as exemplary cases.

Lastly, the expert, while recognizing the importance of post-lithium battery technologies based on less scarce minerals such as sodium, calcium, and magnesium, concluded that such new technologies need to overcome major hurdles to replace lithium battery technology, which is increasingly becoming price-competitive through economies of scale—similar to silicon technology in the semiconductor industry.

Strategies for Enhancing Competitiveness

In this session, delegates discussed the government's role in supporting long-term basic science research and revitalizing partnerships, such as SEMATECH (Semiconductor Manufacturing Technology: a public-private consortium formed in 1987 to strengthen U.S. chip manufacturing and expertise) and SRC (Semiconductor Research Corporation: R&D consortium established in 1982 to fund semiconductor research). A U.S. expert shared concerns over the fact that no major advancement in the high-volume manufacturing semiconductor technology has come out of a U.S. university in the last 10 years since the FinFET (a transistor technology with 3D structure developed to improve performance and efficiency) structure was developed at UC Berkeley.

A U.S. delegate emphasized that government support and federal funding empower universities to train a competent workforce and contribute to building a competitive domestic supply chain, and welcomed the passage of the CHIPS for America Act as a leg-up for the U.S. semiconductor industry. Another U.S. delegate presented the Energy Frontier Research Center (Department of Energy), which supports long-term (up to eight to nine years) energy storage projects and the Battery500 consortium, which facilitates short-term application projects, as successful examples of government support.

A U.S. delegate commented that the U.S. government needs to invest $100 billion or more annually on science and innovation systems, remarking that it is spending $130 billion less than it did in 1990 as a share of GDP. Additionally, the delegate argued that the federal government cannot depend on the current decentralized, PI (principal investigator)-driven research system for strategic discoveries. The delegate shared concerns over the lack of progress on the Endless Frontier Act (a bi-partisan bill proposed in 2021 to strengthen U.S. technology R&D, manufacturing, and supply chains) due to disagreements among the scientific communities. The delegate added that public-private partnerships such as STARnet (Semiconductor Technology Advanced Research Network: a university-industry R&D network established by DARPA in 2013) can be beneficial.

The delegates agreed that the government needs to continuously fund long-term basic science research, and relevant government bodies such as DARPA (Defense Advanced Research Projects Agency), Department of Energy, and National Science Foundation need to develop overall technology research agendas and roadmaps. In this context, the delegates stressed that the U.S. Innovation and Competition Act (USICA) must be appropriated in some form, and the Office of Management and Budget (OMB), Office of Science and Technology Policy (OSTP), National Security Council (NSC), and National Economic Council (NEC) must all be part of the coordinating process.

❶ **John Mearsheimer**, Professor, University of Chicago ❷ **Kurt Campbell**, NSC Coordinator for Indo-Pacific Affairs
❸ **Daniel Russel**, Vice President, Asia Society Policy Institute; **Stapleton Roy**, Former Ambassador of the U.S. to China
❹ **Chey Tae-won**, Chairman, SK Group ❺ Trans-Pacific Dialogue 2021 Session
❻ **Jon Ossoff**, U.S. Senator (D-GA); **Chey Tae-won**, Chairman, SK Group

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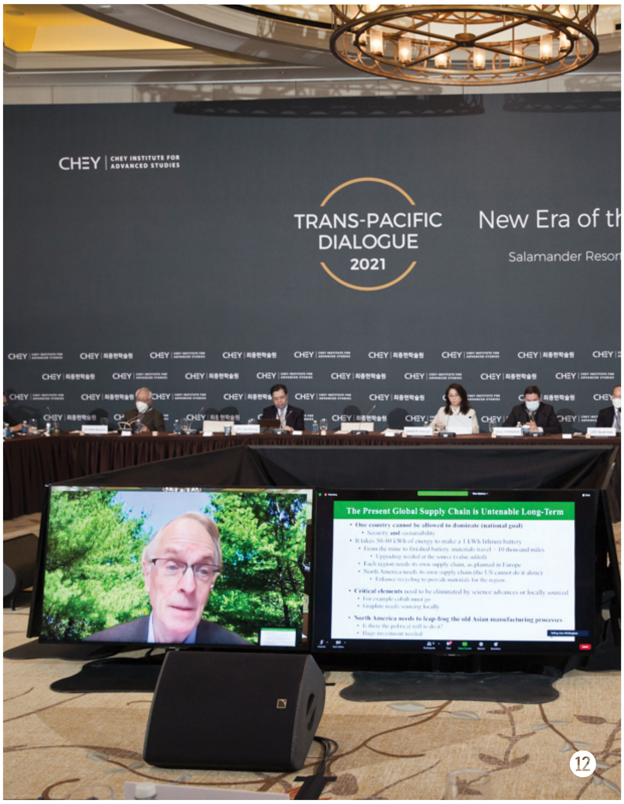
Lee Sook Jong, Professor, Sungkyunkwan University; **Fujisaki Ichiro**, President, Nakasone Peace Institute;
Rexon Ryu, Former Chief of Staff to Secretary of Defense (from left)

❽ **Lee Jae-Seung**, Professor, Korea University; **Joseph Yun**, Former U.S. Special Representative for North Korea Policy

❾ **Bill Hagerty**, U.S. Senator (R-TN) ❿ **Jon Ossoff**, U.S. Senator (D-GA)
⓫ **Lee Hong-koo**, Former Prime Minister, ROK
⓬ **Stanley Whittingham**, 2019 Nobel Prize in Chemistry Laureate
⓭ **Shin Changhwan**, Professor, Sungkyunkwan University; **Kang Kisuk**, Professor, Seoul National University



⓮ **Sakata Yasuyo**, Professor, Kanda University of Int'l Studies; **Tarun Chhabra**, NSC Senior Director for Technology and National Security; **Lee Seok-hee**, President and CEO, SK Hynix (from left)
⓯ **Daniel Poneman**, President and CEO, Centrus Energy Corp.; **Gary Samore**, Professor, Brandeis University
⓰ **Yu Jeong Joon**, Vice Chairman and CEO, SK E&S ⓱ **Joseph Nye**, Professor, Harvard Kennedy School
⓲ **John Ikenberry**, Professor, Princeton University ⓳ Discussion with Foreign Policy Advisors of Korean Presidential Candidates

(20) **Bruce Klingner**, Senior Research Fellow, Heritage Foundation; **Edgard Kagan**, NSC Senior Director for East Asia and Oceania; **Ahn Ho-young**, President, University of North Korean Studies

(21) **Susan Thornton**, Former Assistant Secretary of State for East Asian and Pacific Affairs (22) Trans-Pacific Dialogue 2021 Working Lunch

(23) **Bill Hagerty**, U.S. Senator (R-TN); **Chey Tae-won**, Chairman, SK Group (24) Trans-Pacific Dialogue 2021 Session

㉕ Trans-Pacific Dialogue 2021 Keynote Speech

㉖ **Ahn Ho-young**, President, University of North Korean Studies; **Chuck Hagel**, Former Secretary of Defense; **Richard Armitage**, Former Deputy Secretary of State

㉗ **John Mearsheimer**, Professor, University of Chicago; **Park In-kook**, President, Chey Institute for Advanced Studies

㉘ ㉙ Trans-Pacific Dialogue 2021 Reception

About the Chey Institute for Advanced Studies

The Chey Institute for Advanced Studies is a non-partisan think tank with the aim to explore the geopolitical dynamics and avenues of scientific innovation in Northeast Asia and beyond. It was established in October 2018 to commemorate the 20^{th} anniversary of the passing of Chairman Chey Jong-hyon, former Chairman of SK Group.

The Chey Institute commits to the following three missions: 1) to identify geopolitical risks that threaten regional and global stability and shape strategies to mitigate these risks; 2) to explore the challenges and opportunities posed by scientific innovation on the entire spectrum of our society; and 3) to investigate the impact of scientific and technological innovation on geopolitical and geo-economic dynamics.

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