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Cooperating, Competing, Confronting: US-Japan-South Korea Trilateral Cooperation as China Rises

TASK FORCE REPORT

TASK FORCE COCHAIRS

Fujisaki Ichiro, Nakasone Peace Institute
Han Sung Joo, Asan Institute for Policy Studies
James Steinberg, Syracuse University

PROJECT DIRECTOR

Karl Friedhoff, Chicago Council on Global Affairs

THE CHICAGO COUNCIL ON GLOBAL AFFAIRS

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Report from the Task Force on Trilateral Cooperation Amid China's Rise

Task Force Cochairs

Fujisaki Ichiro, Nakasone Peace Institute

Han Sung Joo, Asan Institute for Policy Studies

James Steinberg, Syracuse University

Task Force Members

Choi Young-jin, Yonsei University

Chung Jae Ho, Seoul National University

Ivo Daalder, Chicago Council on Global Affairs

Bonnie Glaser, German Marshall Fund of the United States

Hashiba Ken, Nakasone Peace Institute

Nishino Junya, Nakasone Peace Institute

Kim Sung-han, Korea University

Kubo Fumiaki, Nakasone Peace Institute

Daniel Russel, Asia Society Policy Institute

Sheila Smith, Council on Foreign Relations

Tokuchi Hideshi, Nakasone Peace Institute

Tsugami Toshiya, Nakasone Peace Institute

Project Director

Karl Friedhoff, Chicago Council on Global Affairs

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Executive Summary

The US-China relationship will be one of the most important in defining the international order in the 21st century. As the two countries enter an increasingly competitive phase in relations, both must manage the policy mix of confrontation, competition, and cooperation. If mismanaged, competition could quickly tilt toward miscalculation and armed conflict. For the United States, a poor mix of these policy elements could also lead to a hastened US decline, rapidly ceding the Asia-Pacific to China's leadership, leaving regional allies at risk of coercion under the threat of China's military and economic power.

The nature of the challenge posed by China, the economic interdependence in the region, and serious questions about US leadership necessitate a fundamental reevaluation of trilateral cooperation. Effective US policy in the region hinges on getting policy right with the two most important US allies in the region—Japan and South Korea. While alliances are among the most important advantages the United States holds in its competition with China, South Korea and Japan hold particular importance given the values they share with the United States, as well as their dynamic economies, growing military capabilities, influence in the region, and geostrategic location. But the inherent advantages of these allies can only be drawn upon if the United States recommits itself to the region and to investing in and upholding these long-standing relationships.

The persistent doubts about US commitment to and leadership in the region involve not only political will and competence but growing questions of economic feasibility as well. Doubts about the United States are leading Japan and South Korea to consider all options in terms of their security. Unlike the Cold War with the Soviet Union, the United States will not be able to draw a line in the sand, demand that its allies and partners toe that line, and still expect to compete effectively. Such an approach will further erode US credibility and confidence in US leadership.

This reality will necessitate a deep mutual trust between the trilateral partners and greater tolerance for the distinct needs and interests of all three countries. A better understanding of how each country views its role in the region, its relationship with China, areas of cooperation, and the limits for each country in dealing with China is vital.

To that end, we make the following recommendations:

Confront China's Economic Coercion

A core concern for Japan and South Korea is China's use of economic coercion. Beijing has wielded economic pressure against both countries for perceived transgressions. As those coercive campaigns took place, the United States was perceived as providing too little support, leaving its allies to face the brunt of China's ire alone. Economic coercion will likely remain a standard tool in China's repertoire, and the trilateral partners need to be better prepared for future attempts at such coercion. A coordinated plan to deal with China's coercive campaigns will also expand the willingness of countries to resist China when necessary by reducing the fear of becoming a target.

- Coordinate more closely on confronting China's economic coercion: Governments in all three countries must strengthen coordination when faced with potential economic coercion. Japan and South Korea should take

an active role in sharing lessons learned with other countries targeted by China. The three countries should also explore establishing a more formal coordinating body to help shape the response to China's coercive economic practices. These measures could include temporary tariff reductions, targeted purchases of affected items, and other forms of support for targeted industries and companies. These discussions should also go beyond the United States, Japan, and South Korea. Australia would be a strong candidate for inclusion given its recent targeting by China.

- Reform the World Trade Organization (WTO), don't handicap it: The WTO should become an important venue for the trilateral partners—and other countries—to present a united front against China's economic coercion. First, the administration of US President Joe Biden should reverse its continued freeze in appointing new appellate body members. Second, the trilateral partners should strongly consider filing third-party submissions before the WTO—and encourage other countries to do so as well—when China's coercive tactics are challenged there. Third, the United States, South Korea, and Japan should work to create a broad coalition of countries ready to reform the WTO to ensure it is functioning as intended.

Cooperate on Issues, Allow for Alliance Flexibility

Unilateral demands from the United States for Japan and South Korea to adhere to US policy mandates on China will undermine cooperation and damage the alliances, leading to a fragmented, conflictual region. Instead, the United States will need to better understand and incorporate the positions of Japan and South Korea into its own policy-making process. Their economic and security interests will mean, at times, that their respective approaches to China will differ from the preferred US approach.

- Restate alliance values and principles and reinforce them whenever possible: The respective alliances with Japan and South Korea have grown beyond security guarantees. They have come to encompass the core values of democracy, human rights, and free trade. The public in South Korea agree. A majority (54%) say the alliance with the United States is based on security interests and shared values. In Japan, however, there may be more work to do on framing the alliance for the public. Just 26 percent say the alliance with the United States is based on security interests and shared values. While flexibility will be required to address the challenge to the alliances posed by China's rise, all three countries should continue to reinforce their commitment to the shared values of democracy, human rights, and open economies. These values form the bedrock of the alliances and cannot be abandoned.

- Create opportunities for cooperation that are not focused on China: Building a coalition overtly focused on China will further the narrative that the goal of the United States and its allies is to destroy China's regime. That will ultimately be counterproductive, encouraging China to harden its positions rather than seeking cooperation when possible. There are ample opportunities for the trilateral partners—often working with other like-minded countries—to cooperate in other areas. Health, education, development, and combatting pandemics are all issue sets where trilateral know-how and interests converge. Japan, South Korea, and the United States also have significant overlap on goals and priorities in Southeast Asia

that will allow them to work together in ways that advance shared goals that are nonthreatening to China.

- Recognize the inherent tensions between South Korea and Japan: Tokyo and Seoul may share democratic governments and alliances with the United States, but they are not natural partners as often claimed. Historical mistrust between them makes cooperation politically difficult. However, the security communities in both countries understand that shared threats require cooperation. And with majorities of South Koreans (59%) and Japanese (80%) saying China is a rival rather than a partner, there may be more room to build cooperative approaches between the two nations. Already, publics in both countries support cooperating on development projects in Southeast Asia (58% support in Japan, 62% in South Korea) and sharing intelligence on North Korea's nuclear and missile programs (73% support in Japan, 53% in South Korea). In addition, the countries should explore—and the United States should encourage or participate in—multilateral antipiracy operations in places like the Gulf of Aden, antisubmarine exercises in the Indian Ocean, and maritime cleanup in the South China Sea.

Compete with China, Coordinate with Allies in Southeast Asia

In Southeast Asia, the primary focus of the United States has been on ensuring that sea lanes traversing the South China Sea remain open to all naval traffic. However, the military focus on the region as a strategic choke point is not matched by a corresponding diplomatic and financial effort. The United States and allies should match the attention given to the sea lanes with a renewed focus on addressing issues that will benefit the governments, people, and businesses in the ASEAN region.

- Compete broadly in services, narrowly in big infrastructure investment: Building big infrastructure may help get goods and people from place to place, but the benefits of that infrastructure do not automatically reach the communities that surround those newly built environments. Reaping those advantages requires better access to services like internet connectivity, education, health, and legal services. The trilateral partners should seek to harness their shared competitive advantage in services to work around newly created hard infrastructure and invest in opportunities in cities and communities across the region. Big infrastructure investment should not be wholly abandoned, but it should be done as a complement to the competition in services.

- Use the Development Finance Corporation (DFC) and the Asian Development Bank as organizing pillars: Established by the BUILD Act, the DFC offers a new way for the United States to deploy its development budget and coordinate with other countries in doing so. The DFC should work with the relevant organizations in Japan and South Korea to pursue investments in development projects, sustainability, and climate initiatives, small- and medium-sized enterprises, and women-owned businesses throughout ASEAN countries. All three countries are already active in the region, but these activities are not well coordinated. Interests may not always align, but where they do, the combined efforts will have broader impact in a critical region. These efforts should be closely coordinated with the activities of the Asian Development Bank and its 2030 strategy to help broaden the scope of investment in the region to include quality

infrastructure to help mitigate effects of climate change, water insecurity, and poor sanitation.

- Utilize the advantage in public diplomacy: China's BRI activities in the region attract the most attention, but those activities are creating nervousness and pushback in several recipient countries. Meanwhile, Japan remains the largest funder of infrastructure in ASEAN, and South Korea's cultural products are paving the way for a rapid expansion of its presence in the region. The trilateral partners should take advantage of this opportunity to exercise their considerable influence to establish a new narrative throughout the region that focuses on economic opportunity, societal openness, and environmental sustainability.

Introduction

The great story of the last half century is how the United States, Japan, and South Korea have worked together to bring prosperity to the Asia-Pacific. They promoted free trade and human rights in the region, achieved economic prosperity together, and helped to maintain peace throughout Asia for the last 40 years. The Cold War ended, but the alliances persisted. Indeed, these countries broadened their partnerships to address nontraditional security threats in the region and around the world. Such was their success that these relationships went largely unquestioned.

But three emerging trends are now forcing a rethinking of the main pillars of these alliances and their roles in the Asia-Pacific.

First, the rise in the United States of those favoring restraint in US foreign policy is forcing a debate on the role the United States should play around the world. In the past, there was broad agreement that the United States should act when other countries could not or would not, even if US security interests were vague. The wars in Iraq and Afghanistan have shifted this thinking. And this has significant implications for the US alliances with South Korea and Japan, and the relationship with China.

Second, in Japan and South Korea, the policies of the administration of former US President Donald Trump exacerbated long-standing worries about American credibility and commitment to the region. Regional leaders have long been concerned about deepening political polarization within the US public and government and its effect on US foreign policy. It has been more than a decade since the US Senate last ratified an international treaty. US presidents undo actions of the previous president in the first days in office. Moreover, there is concern that Trump—or someone more organized and dangerous—could return to the US presidency. As a result, South Korea and Japan are undertaking quiet discussions to prepare for that possibility.

The third trend is the rise and growing assertiveness of China in the region and around the world. This trend is ringing alarm bells in Washington, Tokyo, and Seoul. As Beijing's security interests grow along with its rising economic power, it is taking advantage of its economic heft to teach lessons to weaker countries when those countries take steps that anger China. It is these economic ties to China that have limited the steps that Japan and South Korea are willing to take in addressing China's behavior. Japan is less economically dependent on China and thus more willing to confront it in key areas of interest. South Korea, on the other hand, is in a straitjacket. Its economy is highly dependent on China and it is thus more vulnerable to China's economic coercion.

These trends necessitate a flexible approach for the alliances in addressing Beijing's problematic behavior. Instead of a one-size-fits-all foreign policy, a foreign policy that can leverage each country's individual strengths and advantages will be required.

Assessing China's Intentions

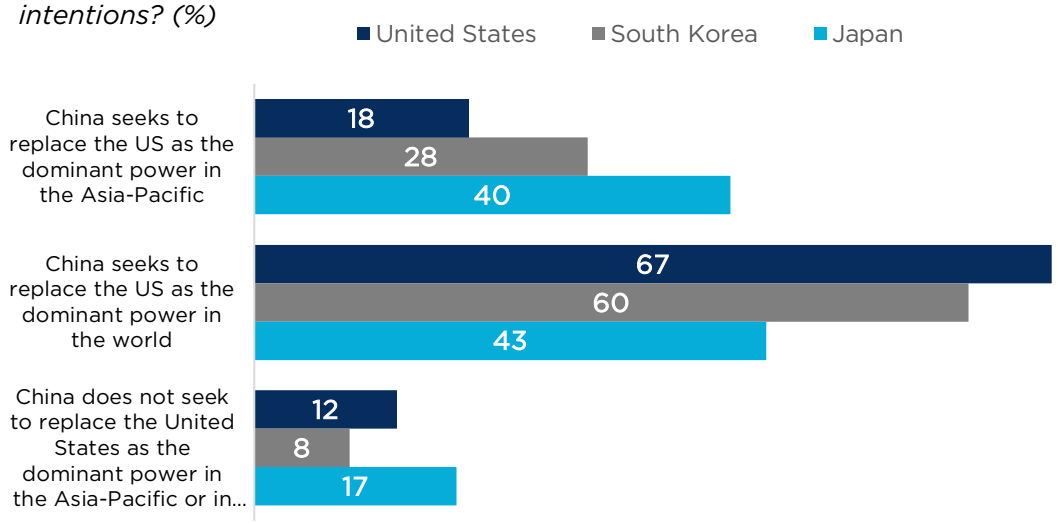
China presents a fundamentally different challenge to the United States and its alliances than did the Soviet Union during the Cold War. While the Soviet Union was a military and ideological challenger throughout the latter half of the 20th century, it was not considered an economic competitor. China, on the other hand, is projected to see its economy overtake that of the United States later this decade, and it presents a challenge to US technological dominance. Whether or not China seeks to actively export its ideology abroad, it is finding adherents around the world to its mix of authoritarianism, economic growth, and domestic repression fueled by technology. While liberalism expanded around the world following the end of the Cold War, that needle is now headed in the opposite direction.

But China's ultimate ambitions remain a point of debate. While China says it does not seek to displace the United States but only wants to be respected as a leading world power alongside the United States, there are significant doubts about that claim. Some believe that China views its rise to primacy in Asia as a historic entitlement. Its expansive claims to the South China Sea, Xi Jinping's "Asia for Asians" speech in May 2014, and its increasing reliance on so-called Wolf Warrior diplomacy suggest that its ambitions are to first establish its dominant position in the Asia-Pacific and then seek to displace the United States as the most dominant power in the world. This concern is seemingly shared by the White House, with President Biden saying in his first press conference that China had the "overall goal to become the leading country in the world, the wealthiest country in the world, and the most powerful country in the world."

This is not just an elite view. As surveys conducted in March and April 2021 show, publics in the United States, South Korea, and Japan share the view that China seeks to displace the United States as the most dominant power in either the Asia-Pacific or in the world.

Views about China's Intentions

Among the following statements, which best represents your view about China's intentions? (%)



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If these expectations prove correct, that will have consequences for countries throughout the region. In establishing its sphere of influence, China will seek to subordinate its neighbors, and it will punish weaker countries through various types of coercion when necessary—most often of the economic variety.

The challenge, then, is how the United States, South Korea, and Japan can develop policy that will shape China's intentions. South Korean and Japanese experts and publics largely share threat perceptions of China and a common understanding of China's ultimate ambitions. Yet they are taking different approaches to address those concerns. Japan has been more willing to push back against China and is more active alongside the United States in areas like the South China Sea. Prime Minister Suga Yoshihide referred to Taiwan as a country in a parliamentary debate, and the statement issued from the April summit between Biden and Suga mentioned Taiwan for the first time since 1969. But Japan has not joined other countries in levying sanctions against China's officials for human rights abuses in Xinjiang, primarily because it lacks a domestic version of the US Magnitsky Act but also in the interest of its domestic businesses. South Korea has done little to push back against China and has not joined the United States in activities that China sees as antagonistic. South Korea, because of its economic dependence on China, fears it may once again become the target of an economic coercion campaign should it push back against China, and it also hopes to win China's cooperation in managing the threats posed by North Korea.

Confronting China's Economic Coercion

Over the last four decades, economic engagement and integration has been the choice of nearly every country in the region—and the world. And China has been the largest potential market as engagement and integration took place. This has given

Beijing a distinct advantage in helping to shape the rules of the game for foreign companies seeking to enter its domestic market and has allowed China to flex its economic muscle for foreign policy ends. Its uses of that power have become more forceful over the last decade, especially in terms of economic coercion.

Since 2008, there have been at least 11 cases of China using economic coercion, but there is little to tie those cases together other than the target countries having taken actions that China viewed as harmful to its interests. The size of the target countries ranges from Palau to France and the United Kingdom to Australia. And of course, South Korea and Japan have faced China's ire.

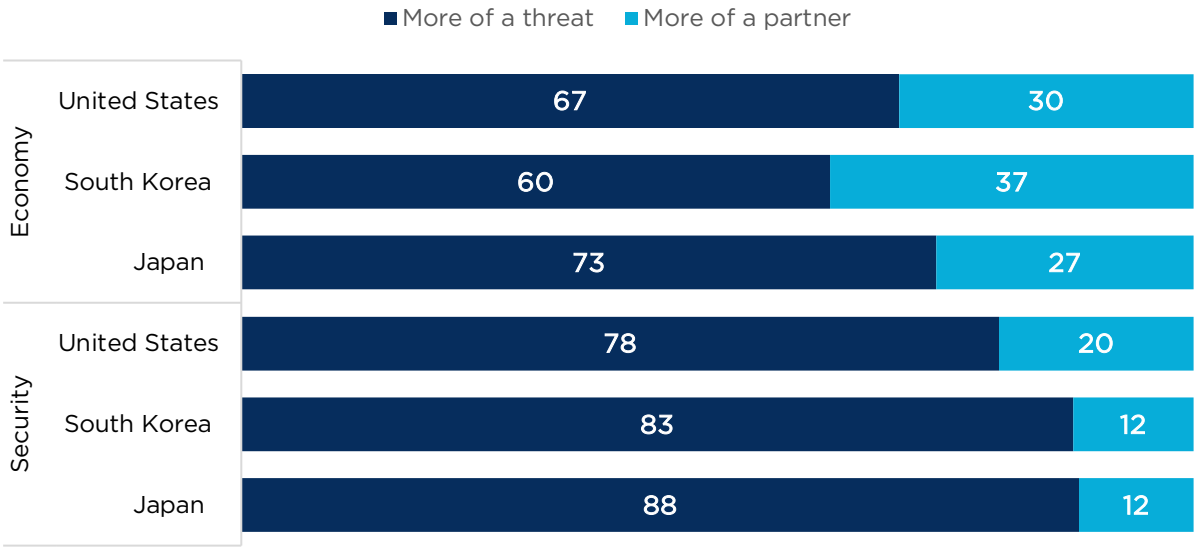
China's coercive campaigns take place for a wide variety of reasons. Some were kicked off because of security concerns, as when South Korea installed a THAAD battery south of Seoul at the request of the United States as part of its defenses against North Korea. Other campaigns have been initiated because of territorial disputes, as happened with the Philippines in 2012. Stemming from a dispute over the Scarborough Shoal, China tightened restrictions on imports from the Philippines, with a special focus on bananas. Coercive campaigns are sometimes a reaction to human rights. Receiving the Dalai Lama made France, Norway, and Britain targets. And China will also retaliate against countries that target its businesses. Canada's 2018 arrest of Huawei's chief financial officer at the request of the United States for evasion of sanctions on Iran led to several Canadian agricultural products being shut out of China's market (as well as retaliatory detentions of two Canadians, Michael Kovrig and Michael Spavor). China does not only target countries. Its most recent campaign is against western fashion companies that are removing Xinjiang cotton from their supply chains because of suspicions that the cotton is produced with the forced labor of Uyghurs.

It is unclear how successful these coercion campaigns have been. While China may see some internal value in defending its perceived honor abroad, it has come at a huge reputational cost. Positive views of China have collapsed around the world following the outbreak of the COVID-19 pandemic. But highly negative views of China in Japan and South Korea predate the pandemic. For example, in 2016 polls in South Korea, China's favorability was near 5.0 on 0–10 scale, where 0 represents least favorable and 10 is most favorable. By March 2017—driven by China's economic coercion campaign—it had fallen to 3.3 and has moved little since. In a poll conducted by the Chicago Council in March 2021, China's favorability in South Korea was at 3.1—putting it on par with South Korean views of North Korea (2.8) and Japan (3.2).

Moreover, the use of economic ties for coercive political ends erodes the perceived value of those economic ties and instead highlights the dangers of economic interdependence: 67 percent of Americans, 60 percent of South Koreans, and 73 percent of Japanese say China is more of an economic threat than an economic partner.

Economic and Security Views on China

In your view, is China more of an economic partner or more of an economic threat? (%)
In your view, is China more of a security partner or more of a security threat? (%)



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At the same time, China's economic coercion is driving countries and companies to rethink their supply chains. Due to eroding wage advantages of basing manufacturing in China, companies were already beginning to relocate production. Concerns about being too dependent on a single production source are now accelerating that trend. Countries such as Vietnam, Thailand, Indonesia, and India are becoming destinations for those seeking to relocate.

Even with this ongoing relocation of production, the breadth and scope of China's economic coercion suggests these campaigns are unlikely to disappear. Given the increasing pressure on China for its human rights abuses and apprehension over its 5G network components and domestic surveillance technology exports, coercive campaigns seem likely to increase.

Economic coercion has proven challenging for the trilateral partners. The United States' alliances with Japan and South Korea, though based in their shared democratic values, are primarily focused on the defense of those nations' physical security. While US Forces Korea and US Forces Japan stand shoulder to shoulder with their allied militaries to protect against military threats, there is no equivalent entity to help protect US allies' economic security. This has made it difficult to coordinate efforts to confront China's economic coercion or to offset the losses. The experience of South Korea was especially stinging. The installation of the THAAD battery was a joint effort to better monitor North Korea's missile launches and defend American troops in South Korea and Japan. Lotte—one of South Korea's largest conglomerates—saw its locations across China targeted in retribution, and it eventually left the China market altogether. In the end, the experience is estimated to have cost South Korea between $5 billion and $12 billion. Throughout the coercion campaign, the prevailing perception in South Korea was that the United States did little to help it.

The United States, Japan, and South Korea should work to closely coordinate joint responses to China's coercive economic practices. Governments in all three countries should explore the possibility of creating a coordinating body that would not only help shape responses to potential coercive campaigns but would also share lessons learned from previous experiences of economic coercion. South Korea and Japan have first-hand experience, and they should actively seek to share their experience and lessons learned with countries around the world should they become targets. Each government should also consider cross-country measures to support nations that are targeted. These measures could include temporary tariff reductions, targeted purchases of affected items, and other forms of support for targeted industries and companies. These coordinating efforts should also grow beyond the United States, Japan, and South Korea. Australia would be a strong candidate for inclusion given its recent targeting by China.

The trilateral partners should also lead a coordinated effort to repair the World Trade Organization (WTO). The Biden administration has continued the Trump administration's efforts to neutralize the appellate body. This should be reversed. While the appellate body has drawn the ire of numerous countries, eliminating it would be a mistake. Instead, the trilateral partners should lead an effort to organize like-minded countries to undertake necessary reforms of the WTO. Keeping the WTO functioning—even if imperfectly—is better than a defunct WTO. This will be an increasingly important avenue for the United States, South Korea, Japan, and others to show a united position in the face of China's economic coercion. The WTO allows for third-party submissions from countries that are neither the complainant nor the respondent to the dispute at hand but state "substantial interest" in the matter. In cases like Australia's December 2020 appeal to the WTO over China's tariffs on Australian barley, the United States, Japan, and South Korea—along with other allies and partners—should strongly consider third-party submissions.

Incorporating Alliance Flexibility

The strategic value of alliances to the allies, especially to the United States, has increased with the intensification of the US-China rivalry. Unlike much of the Cold War—when Japan and South Korea were in much weaker economic positions overall—both South Korea and Japan are now influential countries in their own right. They have expanded security and economic interests, complicating their respective positions in a growing US-China rivalry. At the same time, the relative power of the United States has eroded, and its credibility is now more seriously doubted than at any point in the recent past. These realities will necessitate the alliances becoming true partnerships, with Japan and South Korea becoming far more active in their respective alliances with the United States. In turn, that will mean South Korean and Japanese voices will become more important in alliance decision making, and that should be welcomed by the United States as part of enduring, deepening alliance relationships. US policy that does not take into account the interests of its allies will ultimately fail, creating deep divides among the United States, Japan, and South Korea.

However, the importance of democracy, human rights, free trade, and adherence to international law should remain central to the relationships among the United States, Japan, and South Korea. These components form the foundation of the alliances and should form the foundation for trilateral coordination going forward. While a league of democracies may be interpreted by China as an anti-China coalition, the ties that bind

the United States, Japan, and South Korea in defense of democracy must be made clear.

But building a coalition overtly focused on China will further Beijing's narrative that the goal of the allies is to undermine its regime. That should not be the case. There are ample opportunities for the trilateral partners to cooperate in other areas. There is significant overlap on goals and priorities in health, education, climate change, sustainability, and disaster relief that should continue to be highlighted points of cooperation. A focus on activities in Southeast Asia, in particular, would allow Japan, South Korea, and the United States to combine many of these issues and work together in ways that advance shared goals but are nonthreatening to China.

But there will be divides. In particular, trilateral cooperation on security issues will remain difficult, especially those centering on technology. Attempting to lock China's companies out of developing 5G networks in third countries is unlikely to be met with agreement from South Korea. It has yet to join the Clean Network initiative, a decision stemming from the fact that LG Uplus uses Huawei for some components of its 5G network.

Another area of contention will be on exports of high-tech goods to China. The United States has restricted exports of some goods to China for fear they are driving advancements in China's military, and pressure is likely to build on Japan and South Korea to do the same. Japan has already seen a Toshiba affiliate, Kioxia Holdings, cancel what was expected to be the largest IPO in Japan in 2020 as US export restrictions targeted Huawei. Meanwhile, South Korea's Samsung is one of the world's largest semiconductor producers. As pressure mounts on both countries to limit sensitive goods to China, divides will emerge as they keep one eye on their economic interests.

An Outside-In Approach for Japan-Korea Cooperation

It is important to finally acknowledge that Japan and South Korea are not going to resolve the inherent tensions in their relationship in the near or medium term. Trying to force them together on security issues only highlights how different their interests can be, and the attempt can grate on both countries. True, they share democratic governments and alliances with the United States, and act as important partners in upholding the liberal international order, but close cooperation in the immediate region of Northeast Asia will be politically problematic in both countries for the foreseeable future. However, this should not mean that the United States gives up on its quiet diplomacy to improve ties behind the scenes. Nor does it mean the two countries cannot work together at all.

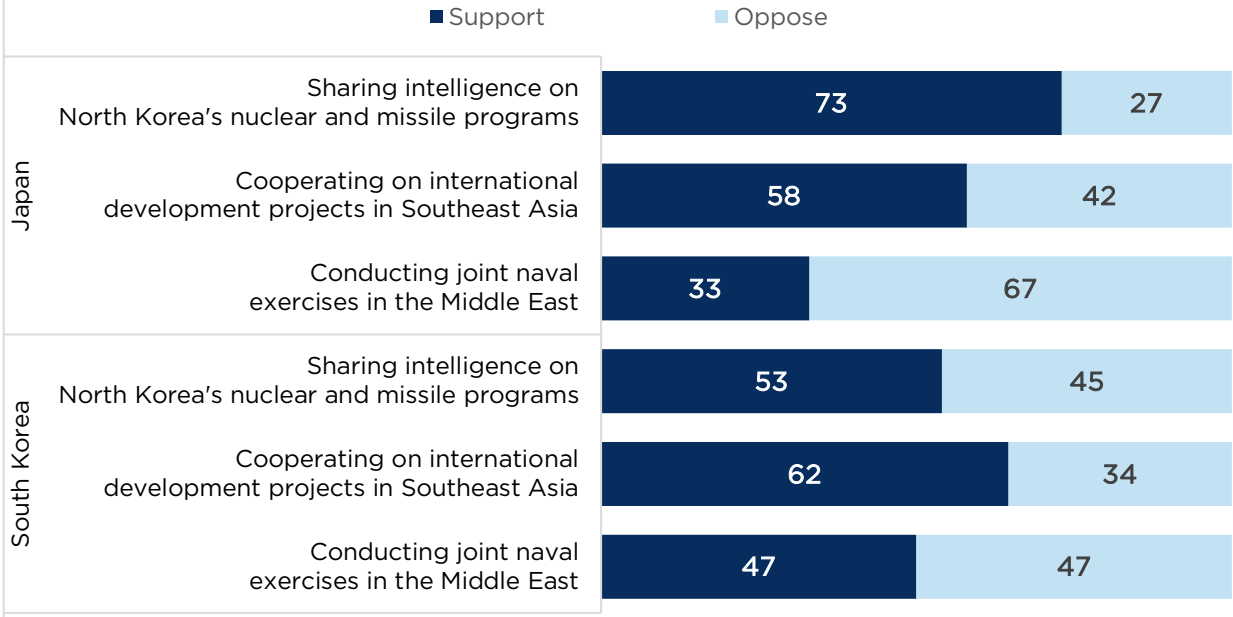
Under the rubric of the Free and Open Indo-Pacific, South Korea and Japan—encouraged by the United States—should look farther afield. Rather than cooperating closer to home, they should seek an outside-in approach. One such scenario would see the countries cooperate on antipiracy operations in the Gulf of Aden, for example, as part of a multilateral effort to secure vital shipping lanes in the Middle East. After those operations are complete, they would rendezvous in the Indian Ocean—meeting up with vessels from other participating countries—to partake in antisubmarine exercises. This is a concern for both countries given the threat posed by North Korea's submarines and its push to develop submarine-launched ballistic missiles. Finally, on the way home—passing through the South China Sea—the countries should seek to work with ASEAN countries on marine cleanup activities. These activities

would establish a pattern for both countries in the region of working on issues that are not threatening to China.

But such cooperation may prove politically sensitive. In South Korea, opinion was split on conducting joint naval operations, with 47 percent in support of such cooperation and 47 percent opposed. In Japan, there was outright opposition, with 67 percent opposed. But framing cooperation around the threat of North Korea may be more palatable. In South Korea (53%) and Japan (73%) majorities support sharing intelligence on North Korea's nuclear and missile programs. That support may extend to exercises aimed at other facets of the threat posed by North Korea.

Japan and South Korea Collaboration

Would you support or oppose the following policies toward [South Korea/Japan]? (%)



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Competing and Cooperating in Southeast Asia

Compete in Services, Cooperate on Development, Shift the Narrative via Public Diplomacy

In the coming year, the trilateral partners should focus on exploring cooperative opportunities in Southeast Asia. ASEAN is the fifth-largest economic bloc in the world and is home to more than 500 million people. It has also seen extensive investment from China as part of BRI. China's primary goal with these investments is to seek faster export of its goods, more seamless import of raw materials and energy supplies, and another outlet to the Indian Ocean without having to traverse the South China Sea should it become conflictual.

Coordination between the trilateral partners will inevitably require some investment in infrastructure across the region. Japan is the largest investor in infrastructure in the region and has been for years. As the trilateral partners seek coordinated investment

in infrastructure projects, there should be a concerted effort at bringing in the private sector from all three countries.

However, trilateral cooperation should not focus solely on hard infrastructure projects. At the same time, the countries should seek to use China's BRI investments as a springboard to focus on their collective competitive advantage in services. While roads and bridges get people from place to place, the existence of infrastructure itself does not necessarily mean the economic benefits reach the people living around the newly built infrastructure. For that to happen, services such as education, healthcare, internet connectivity, and legal services are key. And it is in these areas where the United States, Japan, and South Korea will be best positioned to compete with China in the region.

To accomplish this, the United States should use the recently established Development Finance Corporation (DFC) as an organizing pillar. The DFC is tasked with using its initial $60 billion to invest in low- and lower-middle-income countries around the world—nearly every country in ASEAN would qualify. Importantly, a primary goal of the DFC is to coordinate with similar organizations in other countries. Collaboration with the Asian Development Bank would be a natural step, and it may prove more palatable to a broader range of countries given its multilateral nature.

This ability to work with foreign governments and businesses is key. The DFC, working with Japan and South Korea's development agencies and businesses, should identify opportunities that allow investment from all three countries in mutually beneficial businesses and ventures, with a focus on health, education, legal, and communications services. This type of investment is not a replacement for traditional development work in the region—it is a complement to it. Smaller infrastructure projects would still be necessary to better connect remote areas to central nodes. But those projects should form part of a larger, interlocking, sustainable plan to allow the trilateral partners to pursue their own interests in the target countries and contribute to the broader goal of allowing populations to better access the infrastructure being put into place. Moreover, public opinion data produced by Chicago Council surveys in both countries suggests publics in South Korea and Japan would support coordinated efforts in the region. In South Korea, 62 percent support cooperating with Japan on international development projects in the region, and 58 percent in Japan say the same about cooperating with South Korea.

Such an approach would take advantage of the fundamental weakness in China's BRI initiative in the region: its activities can sow distrust among local populations. BRI projects often displace local populations who are poorly compensated for their trouble. The projects primarily use labor brought in from China, creating relatively few local jobs. The incurred debt and the environmental degradation that are part and parcel of the projects is widely reported. These have all combined to arouse caution throughout the region toward China's activities.

Cooperation in these areas would then allow all three countries to take advantage of their significant advantage in public diplomacy across the region. As noted above, China's activities are seen as a necessity, but they have done little to win over local populations. Meanwhile, South Korean cultural products have become a sensation across the region, and Japan's investment and infrastructure building has been a quiet success. But the United States is largely seen as unengaged. To shift that narrative, all three countries should undertake a coordinated push to frame their initiatives in the region as offering sustainable, people-focused investments—offering a distinct alternative to China's approach. Such an effort would require a long-term, sustained

effort on the part of all three countries and would benefit from a high degree of coordination.

A third area of potential cooperation in the region is maritime cleanup. In 2019, the Bangkok Declaration on Combating Marine Debris in ASEAN Region made marine cleanup a priority. The United States lists this as a priority for its Indo-Pacific strategy, as does South Korea's New Southern Policy. And in 2019, then-Prime Minister Abe Shinzo committed Japan to work with ASEAN to clean up marine debris. The partners should seek to coordinate activities, with other countries in the region, aiming to achieve the goals of reducing refuse—especially plastic—in the South China Sea. Such activities would further establish the presence of vessels from all three countries in the region, and in an effort that is nonthreatening to China. Such cooperation would be particularly important for South Korea, which has been hesitant to join the United States and Japan in freedom-of-navigation operations in the region. However, participating in marine cleanup activities would help normalize the presence of its ships in the area, an important first step to becoming a regular presence there.

Securing and Reassuring in the South China Sea

The focus on services, development, and discursive power in Southeast Asia does not imply a decreased emphasis on activities in the South China Sea. To be sure, the South China Sea remains a vital throughway for not only the region but for the world. Roughly one-third of the world's trade passes through it, along with 40 percent of its liquefied natural gas, and it produces more than 10 percent of the world's fish catch. It also serves as a vital passageway for US naval ships as they move to and return from the Indian Ocean.

The South China Sea is also home to numerous competing territorial claims, bringing China into dispute with nearly every country in the region. To back its claims, China has undertaken an extensive program of artificial island building, militarization of those islands, and coercion and intimidation of rival claimants.

This focus on the SCS need not be scaled back. The United States should continue to take steps to multilateralize the South China Sea. It should further equip countries in the region to better withstand China's economic coercion and intimidation, and expand the intelligence, surveillance, and reconnaissance capabilities of Southeast Asian countries. It should also focus on increasing the involvement of countries outside the region in the South China Sea. Countries in Asia, Europe, and the Americas should be encouraged to call out China's behavior that undermines or violates norms and international law in the SCS.

The United States must also begin to coordinate more closely with its allies in the region—Japan and South Korea, in particular. This coordination and cooperation should take place along military and diplomatic dimensions.

On the military side, Japan is already conducting cruises and taking part in exercises with the US navy in the South China Sea. That cooperation should continue and grow. South Korea, however, is reluctant to participate in such joint exercises for fear of angering China. The United States must move beyond continuing calls for South Korea to directly participate in activities it views as counterproductive to its own security interests. Since Seoul is uncomfortable with the concept of freedom of navigation, which it sees as referring mainly to US military operations, the United States should encourage use of the phrase "freedom of the seas," which encompasses all lawful uses of the oceans. Moreover, the United States should support an outside-in strategy. This strategy would see South Korean vessels first participate in operations

in places like the Gulf of Aden or the Strait of Hormuz, and then partake in multilateral exercises in the Indian Ocean and South China Sea as they sail toward home. Structuring the exercises in this way would not only aid in capacity building of the South Korean navy but would also establish a pattern of behavior for future exercises.

Diplomatically, the United States, Japan, and South Korea should work with like-minded partners to call on China to abide by its legal obligations. Thus far, South Korea has been less willing than the United States and Japan to criticize China's illegal claims and destabilizing behavior. It will need to find ways to do so and join in forging a broad coalition of states willing to criticize China's violations of international law and norms that would impose a reputation cost. In combination with other steps, this might persuade China's leaders that they will lose more by being seen as challenging the rules-based order than they will gain by coercing their neighbors.

Conclusion

Trilateral cooperation will be vital to a peaceful, prosperous, open Indo-Pacific and beyond. But the road ahead for the United States, Japan, and South Korea will be bumpy at times. They will face challenges of different policy approaches to China, informed by different economic realities and priorities. However, their shared interests and values will provide a strong foundation for working together. Ultimately, the proposition is straightforward. The United States, Japan, and South Korea must make it clear to China that they are collectively ready, and prefer, to live in a world that is based on cooperation and all of the benefits cooperation brings. At the same time, they must show they are equally prepared to live in a world that is based on zero-sum competition and potential conflict if China prefers that path. But whatever the path forward, the United States, Japan, and South Korea must show that their alliance relationships remain unshakeable.

Task Force on Trilateral Coordination

Members

Choi Young-jin, *Distinguished Professor, Yonsei University; former Ambassador to the United States; former Vice Minister of Foreign Affairs*

Y. J. Choi teaches the Comparison of the Eastern and Western Civilizations class as a distinguished professor at Yonsei University. Until May 2013, he was South Korea's ambassador to the United States. From 2007–2011, while serving as head of United Nations operations in Cote d' Ivoire, his role was recognized as instrumental to its democratization and reunification in 2011. Choi also was permanent representative of South Korea to the United Nations (2005–2006), vice foreign minister (2004), ambassador in Vienna (2002), assistant secretary-general for UN peacekeeping operations (1998–1999), and deputy executive director of the Korean Peninsula Energy Development Organization (1995–1997). He studied medicine and international relations at Yonsei University and holds a PhD in international relations from the University of Paris 1 Panthéon-Sorbonne.

Chung Jae Ho, *Professor of International Relations, Seoul National University*

Chung Jae Ho is a professor of international relations and the director of the Program on US-China Relations at Seoul National University. He is also the Program Chair and the China Program Coordinator of the Seoul Forum for International Affairs. Professor Chung is the author or editor of 18 books, including *Between Ally and Partner: Korea-China Relations and the United States* (Columbia University Press, 2007) and *Centrifugal Empire* (Columbia University Press, 2016). He was the recipient of Seoul National University's Best Researcher Award in 2009 and of the Korean Association for International Studies' Best Book Award in 2012.

Ivo Daalder, *President, Chicago Council on Global Affairs*

Ivo H. Daalder is president of the Chicago Council on Global Affairs. He was the US ambassador to NATO from 2009 to 2013. Prior to his appointment as ambassador to NATO by President Barack Obama, Daalder was a senior fellow in foreign policy studies at the Brookings Institution, specializing in American foreign policy, European security and transatlantic relations, and national security affairs. Before joining Brookings in 1998, he was an associate professor at the University of Maryland's School of Public Policy and director of research at its Center for International and Security Studies. He also was director for European affairs on President Bill Clinton's National Security Council staff from 1995–97. His most recent book, with James M. Lindsay, is *The Empty Throne: America's Abdication of Global Leadership*.

Fujisaki Ichiro, *President, Nakasone Peace Institute*

Fujisaki Ichiro joined the Ministry of Foreign Affairs in 1969 and went on to serve as Deputy Director General for Asian Affairs, Political Minister at the Embassy of Japan in Washington, DC, Director General for North American Affairs, Deputy Foreign Minister, and Ambassador to the United Nations and the WTO in Geneva. He was ambassador to the United States from 2008 to 2012. He is currently distinguished professor and Chairman for International Strategies of Sophia University, and president of the America-Japan Society Inc.

Bonnie Glaser, *Director, Asia Program, The German Marshall Fund of the United States*

Bonnie S. Glaser is director of the Asia program at the German Marshall Fund of the United States. She was previously senior adviser for Asia and the director of the China Power Project at CSIS. Ms. Glaser is concomitantly a nonresident fellow with the Lowy Institute in Sydney, Australia, and a senior associate with the Pacific Forum. For more than three decades, Ms. Glaser has worked at the intersection of Asia-Pacific geopolitics and US policy. From 2008 to mid-2015, she was a senior adviser with the CSIS Freeman Chair in China Studies, and from 2003 to 2008, she was a senior associate in the CSIS International Security Program. Prior to joining CSIS, she was a consultant for various US government offices, including the Departments of Defense and State. Ms. Glaser has published widely in academic and policy journals, including the *Washington Quarterly*, *China Quarterly*, *Asian Survey*, *International Security*, *Contemporary Southeast Asia*, *American Foreign Policy Interests*, *Far Eastern Economic Review*, and *Korean Journal of Defense Analysis*, as well as in leading newspapers, such as the *New York Times* and *International Herald Tribune*, and in various edited volumes on Asian security. She is also a regular contributor to the Pacific Forum web journal *Comparative Connections*. She is currently a board member of the US Committee of the Council for Security Cooperation in the Asia Pacific and a member of the Council on Foreign Relations and in the International Institute for

Strategic Studies. She was a member of the Defense Department's Defense Policy Board China Panel in 1997. Ms. Glaser received her BA in political science from Boston University and her MA with concentrations in international economic and Chinese studies from the Johns Hopkins School of Advanced International Studies.

Han Sung Joo, *Chairman, Asan Institute for Policy Studies; former Minister of Foreign Affairs; former Ambassador to the United States*

Han Sung Joo is professor emeritus at Korea University. Dr. Han previously was the minister of foreign affairs of the Republic of Korea (1993–94), the UN secretary-general's special representative for Cyprus (1996–97), a member of the UN Inquiry Commission on the 1994 Rwanda Genocide (1999), chairman of the East Asia Vision Group (2000–01), ambassador of the Republic of Korea to the United States (2003–05), and acting president of Korea University (2002, 2006–07). He is a graduate of Seoul National University and received a PhD in political science from the University of California, Berkeley.

Previously, he taught at City University of New York (1970–78) and was a visiting professor at Columbia University (1986–87) and Stanford University (1992, 1995). He was also a distinguished fellow at the Rockefeller Brothers Fund (1986–87). His English publications include *Korean Diplomacy in an Era of Globalization* (1995), *Korea in a Changing World* (1995), and *Changing Values in Asia* (1999).

Hashiba Ken, *Consul General of Japan in Rio de Janiero*

Hashiba Ken is the Consul General of Japan in Rio de Janiero. Prior to this posting he was a Senior Research Fellow at the Nakasone Peace Institute having been seconded there from the Ministry of Foreign Affairs in 2018. He joined the Ministry of Foreign Affairs in 1991 and during his career has worked in the Latin America and Caribbean Bureau, was posted to the Japanese Embassy in Mexico, and served in the Disarmament, Non-proliferation and Science Department, the Consular Affairs Bureau, the International Cooperation Bureau, and in Intelligence and Analysis Service. He holds a BA in law from the University of Tokyo.

Kim Sung-han, *Professor, Graduate School of International Studies, Korea University; former Vice Minister of Foreign Affairs and Trade*

Kim Sung-han is a Professor of International Relations at the Graduate School of International Studies (GSIS)/Division of International Studies and director of the Ilmin International Relations Institute at Korea University as of May 2021. He was a Dean of the GSIS at Korea University from 2017–2021 and as Vice Minister of Foreign Affairs and Trade in 2012–2013. He was a professor from 1994 to 2007 at the Institute of Foreign Affairs and National Security (IFANS). In 2013–2014, Dr. Kim was the Chair of World Economic Forum's Global Agenda Council on WMD. He was the President of the Korean National Committee of the Council on Security Cooperation in the Asia Pacific, after having completed his service as a Vice President of the Korean Association of International Studies; President of the Korean Association of American Politics; and Chairman of the Vision Council for the ROK-US Security Policy Initiative. After the North Korean military attack on the Cheonan naval corvette in March 2010, he was a member of the Presidential Commission for National Security Review (May–August 2010) and the Presidential Commission for Defense Reform (July–December

2010). He received his PhD in Political Science from the University of Texas at Austin in 1992.

Kubo Fumiaki, *Executive Director of Research, Nakasone Peace Institute*
Dr. Kubo holds a BA and PhD from the University of Tokyo, and has been the A. Barton Hepburn Professor of American Government and History at the Faculty of Law at the University of Tokyo since 2003. He was a Visiting Scholar/Fellow at Cornell University (1984-86), the Johns Hopkins University (1991-93), Georgetown University (1998-99), the University of Maryland (1998-99), Invited Professor at Sciences Po in Paris (2009), and Japan Scholar at the Woodrow Wilson International Center for Scholars (2014). Dr. Kubo was a President of Japanese Association for American Studies in 2016-18 and is currently vice chair for the Japanese side of US-Japan Conference on Cultural and Educational Interchange as well as a member of the US-Japan Educational Commission. He joined NPI in 2018.

Nishino Junya, *Senior Fellow, Nakasone Peace Institute*

Dr. Nishino Junya is a professor in the Department of Political Science at Keio University in Tokyo. He also is director of the Center for Contemporary Korean Studies at Keio University. His research focuses on contemporary Korean politics, international relations in East Asia, and Japan-Korea relations. Dr. Nishino was a Japan Scholar at the Woodrow Wilson International Center for Scholars and a Visiting Scholar at the Sigur Center for Asian Studies, George Washington University, in 2012–2013. He was also an Exchange Scholar at the Harvard-Yenching Institute in 2011–2012. He was a special analyst on Korean affairs in the Intelligence and Analysis Service of the Japanese Ministry of Foreign Affairs in 2006–2007 and a special assistant on Korean politics at the Japanese Embassy in Seoul in 2002–2004. Dr. Nishino received his BA and MA from Keio University, and a PhD in political science from Yonsei University in South Korea.

Daniel Russel, *Vice President, International Security and Diplomacy, Asia Society Policy Institute*

Daniel Russel is Vice President for International Security and Diplomacy at the Asia Society Policy Institute (ASPI). Previously he served was a Diplomat in Residence and Senior Fellow with ASPI for a one-year term. A career member of the Senior Foreign Service at the US Department of State, he most recently was the Assistant Secretary of State for East Asian and Pacific Affairs. Prior to his appointment as Assistant Secretary on July 12, 2013, Russel served at the White House as Special Assistant to the President and National Security Council Senior Director for Asian Affairs. During his tenure there, he helped formulate President Barack Obama's strategic rebalance to the Asia Pacific region, including efforts to strengthen alliances, deepen US engagement with multilateral organizations, and expand cooperation with emerging powers in the region.

Sheila Smith, *Senior Fellow for Japan Studies, Council on Foreign Relations*

Sheila A. Smith is senior fellow for Japan studies at the Council on Foreign Relations (CFR). She is the author of *Japan Rearmed: The Politics of Military Power* (Harvard University Press, 2019), *Intimate Rivals: Japanese Domestic Politics and a Rising China* (Columbia University Press, 2015), and *Japan's New Politics and the U.S.-Japan Alliance* (Council on Foreign Relations, June 2014). She is also the author of the CFR interactive guide *Constitutional Change in Japan* at CFR.org. Smith is vice chair of the US advisers to the US-Japan Conference on Cultural and Educational Interchange, a binational advisory panel of government officials and private-sector members. She

also serves on the advisory committee for the US-Japan Network for the Future program of the Maureen and Mike Mansfield Foundation. She is an adjunct professor at the Asian Studies Department of Georgetown University and serves on the board of its *Journal of Asian Affairs*. She earned her MA and PhD degrees from the Department of Political Science at Columbia University.

James Steinberg, *Former US Deputy Secretary of State*

James B. Steinberg is University Professor of Social Science, International Affairs and Law at Syracuse University and was Dean of the Maxwell School from July 2011 until June 2016. Prior to becoming Dean, he was Deputy Secretary of State (2009–2011), serving as the principal Deputy to Secretary of State Hillary Clinton. From 2005–2008 he was Dean of the Lyndon B. Johnson School of Public Affairs University of Texas. From 2001 to 2005, Mr. Steinberg was vice president and director of Foreign Policy Studies at the Brookings Institution. He was deputy national security adviser to President Bill Clinton from 1996 to 2000. During that period, he also was the president's personal representative to the 1998 and 1999 G-8 summits. Prior to becoming deputy national security adviser, Mr. Steinberg was director of the State Department's Policy Planning Staff, and as Deputy Assistant Secretary for analysis in the Bureau of Intelligence and Research.

Tokuchi Hideshi, *Senior Research Adviser, Nakasone Peace Institute*

Tokuchi Hideshi entered the Japan Defense Agency in 1979 as a civilian, and he assumed the position of the first Vice-Minister of Defense for International Affairs in 2014. He retired from the Ministry of Defense in 2015. Tokuchi also worked for the US National Defense University in 1995–1996 as a visiting fellow. He taught Japan's national security policy at the National Graduate Institute for Policy Studies (GRIPS) for many years. He now is a Senior Fellow for GRIPS Alliance; a visiting fellow for the Institute of International Relations, Sophia University; and a Senior Research Adviser for the Institute for International Policy Studies. He earned a bachelor of law degree at the University of Tokyo in 1979 and a master of arts in law and diplomacy at the Fletcher School of Law and Diplomacy in 1986.

Tsugami Toshiya, *Visiting Research Fellow, Nakasone Peace Institute*

Tsugami Toshiya heads the Tsugami Workshop, a consulting company concentrating on the Chinese economy. He is a frequent commentator on Japanese television and writes extensively for Japanese news media. He previously was economic counselor at the Japanese Embassy in China and director of the Northeast Asia Division of the Ministry of Economy, Trade and Industry's Trade Policy Bureau. He graduated from the University of Tokyo. His works include *Chūgoku no taitō: Nihon wa nani o subeki ka* (China's rise: What should Japan do?), awarded the Suntory Prize for Social Sciences and Humanities, and the recent *Chūgoku taitō no shūen* (The end of China's rise).

Project Director

Karl Friedhoff, *Marshall M. Bouton Fellow for Asia Studies, Chicago Council on Global Affairs*

Karl Friedhoff is the Marshall M. Bouton Fellow for Asia Studies at the Chicago Council on Global Affairs. Prior to his work at the Council, he was a program officer in the Public Opinion Studies Program at the Asan Institute for Policy Studies in Seoul. He

was previously a Korea Foundation-Mansfield Foundation US-Korea Nexus Scholar and a member of the Mansfield Foundation's Trilateral Working Group. His writing has appeared in *The New York Times* and *The Wall Street Journal*, among others, and he has been a frequent guest on both TV and radio to discuss US foreign policy in Asia, South Korea's politics, and international relations in East Asia. Mr. Friedhoff earned his BA in political science at Wittenberg University and an MA in international commerce at Seoul National University.