



East Asia at an Inflection Point: Views from the US, Japan and the Republic of Korea

By Rorry Daniels

June 2020

On May 21, 2020 (US), the NCAFP convened a Track II video teleconference (VTC) with participants from the US, Japan and the Republic of Korea (ROK) to discuss opportunities and challenges in trilateral relations.

The discussion focused on the strategic management of three sets of crises:

- those which were occurring before the COVID-19 outbreak;
- those which are directly tied to the pandemic, including the global public health challenges and accompanying economic pressures; and
- those that may arise as nations experience geopolitical shifts with as yet undetermined outcomes.

Trends from the Pre-COVID-19 Era

Prior to the COVID-19 outbreak, a combination of structural factors and policy choices challenged regional peace and stability. The participants were principally concerned by the following issues: a changing regional military and economic balance of power due to China's rise; greater friction over maritime territorial disputes; differences in perceptions of the threat posed by the DPRK's nuclear weapons and missiles program; poor Japan-ROK relations; the Trump administration's demands for greater burden-sharing; and the use of economic disruptions to address political and security goals.

US-China tensions were of particular concern to participants, with some wondering if the framework of a major power competition was appropriate to manage these crises. A Korean participant noted that US objectives toward China are unclear; and a Japanese participant stated that Japan is uncertain if the US end state is regime change. Another participant noted that neither the US nor China are interested in providing global public goods, creating a leadership vacuum in the international institutions designed to manage transnational problems.

Though Japan and the ROK had convened export control talks to find an off-ramp from 2019's escalatory punitive actions related to unresolved history issues, those talks had yet to produce results.¹ Even if talks did succeed, one Japanese participant noted, much more work remains to be done to tackle the thornier comfort women and forced labor problems. However, participants from the ROK were pleased to see Prime Minister Abe restate that the ROK is an "important neighbor" in his January 20 foreign policy address to the Diet after omitting this label for several years. Japanese participants urged the ROK to find linkages between its policy goals and the Indo-Pacific Strategy, to play a larger role in the maintenance of regional peace and security.

The announcement of TSMC's decision to invest in a microchip manufacturing center in the US sparked questions to Korean participants if Samsung would follow suit. Several participants noted that support for general decoupling from China and reshoring critical industries were gaining steam as the pandemic economic lockdowns exposed bottlenecks and dependencies in the global supply chain of PPE and other goods and services.

Trends from the COVID-19 Pandemic

The participants' most pressing and serious concern in the current era is the lack of global leadership and international coordination on managing the pandemic. Neither the US nor China—the world's two largest economies—seemed willing to provide or coordinate assistance to developing countries hard hit by the pandemic. There was little trust in China's promises to support the globalized economy and equitably distribute a vaccine, should it be the first to develop one that works. An American participant noted that the US cannot play a global leadership role while at the same time pursuing major power competition, suggesting the two concepts were incompatible.

Furthermore, it remained unclear how economic and health damage would be distributed in the end. Much is still unknown about how the virus spreads, works, and confers immunities. Each country is navigating its own trade-offs between retarding the virus and maintaining vital economic activity. It is far too early to judge the performance of any one state on its handling of the pandemic and participants largely agreed that a) such post-mortems can wait until the virus is fully contained, and b) that a narrative war between the US and China over the origins of the pandemic was counterproductive to the immediate need for crisis management.

Many countries are starting to work around the US-China rivalry by forming their own nascent coalitions within international institutions and on matters related to US and Chinese priorities. However, events that often drive consensus and international goodwill—such as major political, economic and social gatherings—cannot serve as inducements for cooperation during a global travel lockdown. Notably, the indefinite postponement of the summit meeting between Xi Jinping and Shinzo Abe and the fate of the 2020 Tokyo Olympics—which was seen by some American and Korean participants as an opportunity to engage with the DPRK—is still unclear. One participant

¹ In the interim between this discussion and the report, the ROK did formally [reopen](#) its WTO case against Japan's export bans.

noted that a new Japanese Prime Minister may be able to reset relations with China and the ROK but may not be as strong in managing US-Japan relations.

There was some hope expressed that each country was so occupied by domestic matters that crisis escalation would be unlikely for the remainder of 2020; still, others noted that crises do not wait for politically opportune times, and what happens in the next nine months will shape the policy options for the next US administration. The North Korean nuclear issue is demonstrative—many participants agreed that the prospects for US engagement with the DPRK in the period from now until November’s presidential election were slim to none. Recent missile tests—while not rising to the same level of attention as previously—will affect the US calculus on future diplomacy with the DPRK.

Concerns About the Future

The interaction of past and present trends seems to portend sectoral decoupling, but a Japanese participant wondered if US policy toward China is sustainable. Can the US truly bear the costs of confrontation with China across economic, political and military domains? Will other countries follow the US lead in confronting China? Meanwhile, China has opportunities to strengthen its relationships with developing countries, many of which will need debt assistance, restructuring or forgiveness.² The question of whether such assistance is beneficial depends on whether one views the issue from the lens of major power competition or through a focus on the needs of individual countries to manage the pandemic period.

The key point for many participants was how to ensure economic security. The parameters for risk are changing alongside massive economic disruptions, and there is an urgency to prepare now for future crises without knowing in advance what supplies or systems would be most resilient. Japan’s recent decision to stand up an economic security unit inside its National Security Secretariat was presented as a replicable model.

A related area to watch is the effect of COVID-19 crisis management on the domestic political environments of each country. Countries with low infection and death rates may see a political boost for the people and parties currently in power; countries hit hard may experience once-in-a-generation political movements. The US seems to have greatest potential for a rapid and massive shift in priorities and behavior should power pass from a Trump administration to a Biden administration. Questions remain on the shape and structure of a Biden administration approach to China, and the outcome of the election remains far from clear.

² In the period between this VTC and the writing of this report, China [announced](#) that debt repayments would be suspended for 77 countries following a G20 agreement to aid the developing world, but so far has provided little details on the recipients or structure of this assistance.

Overall, the participants felt the geopolitical landscape is at an inflection point, and that the emerging multipolar world order is likely to be more turbulent as countries attempt to adjust to structural shifts in power by redrawing political and economic partnerships. The participants concluded that US-China relations will play a major role in what will happen in the geopolitical landscape over the next few years.

Policy Recommendations

- Other countries can and should fill the role the US used to play in global leadership. Japan has been taking on a leadership role, alongside the EU and other “middle powers” in preserving major trade and diplomatic agreements, and mediating US-China disputes in international organizations. The ROK could join these efforts or lead their own middle power coalitions.
- The top priority for global cooperation remains the development and distribution of a COVID-19 vaccine. No other priorities should take precedent over this goal.
- The US, in consultation with Japan and the ROK, should find ways to link Japan-ROK cooperation to the Indo-Pacific Strategy.
- The three countries need to promote and conduct robust trilateral military discussions. These should center not only around regional security flashpoints, such as the North Korean nuclear program, but also best practices in dealing with ship-based COVID-19 outbreaks.
- Any bilateral or trilateral intelligence fora should try to build a common understanding of the effects of COVID-19 inside North Korea. Without better information of the on-the-ground conditions, all analysis of North Korean needs or external behavior is highly speculative. These discussions should provide a context for building a denuclearization roadmap to be enacted after the US election.
- The three countries should also have conversations on the appropriate criteria for enacting and lifting travel bans in and after the pandemic period. These discussions could happen between Consular officers with input from other working-level officials handling homeland security and foreign affairs.
- The next WTO Secretary General should lead institutional reform to better fit the trade and economic disputes of the current era. Nominations for the next WTO Secretary General are open now through July 8, 2020. This is the right institution to discuss export bans and government-promoted disinvestment.

- Japan and the ROK need to separate their political disputes from supply chain dynamics. Blending history issues with current economic ties is damaging to each side's perception of the value of future cooperation. Neither can afford to weaponize interdependence against the other in the long term.
- Experts from the three countries can lead and energize the global scientific community in collaborative Track II science policy initiatives. There was acknowledgement among participants that such initiatives were unlikely to be driven by governments but would need to be spearheaded by prominent civil society leaders.

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FORUM ON ASIA-PACIFIC SECURITY (FAPS)

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MAY 21, 2020
U.S. EASTERN TIME)

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The NCAFP would like to thank the following organizations for their support of this conference:

Carnegie Corporation of New York
Henry Luce Foundation
MacArthur Foundation
The Republic of Korea Ministry of Foreign Affairs