Center for Strategic and International Studies

TRANSCRIPT

Event

ROK-U.S. Strategic Forum 2025

"Panel 3: How Does the Alliance Manage China, Japan and Russia Relations?"

DATE

Wednesday, December 3, 2025 at 1:55 p.m. ET

FEATURING

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Henrietta Levin: Well, thank you, everyone, for staying with us for Panel 3 of the strategic forum. This panel is titled "How Does the Alliance Manage China, Japan, and Russia Relations?"

We have an incredible slate of panelists to round out today's conference. My name is Henrietta Levin. I'm a senior fellow here at CSIS with the Freeman chair in China studies. I'll briefly introduce our speakers.

We have Dr. Victor Cha, president of geopolitics and the foreign policy department and Korea chair here at CSIS, as well as a distinguished university professor at Georgetown.

We have Thomas Wright, senior fellow with the Strobe Talbott Center for Security Strategy and Technology at the Brookings Institution, and former senior director for strategic planning at the White House National Security Council.

We have Kim Youngjun, dean of academic affairs and professor of National Security College at Korea National Defense University.

And last but certainly not least, Lee Seong-Hyon, senior fellow with the George H.W. Bush Foundation for U.S.-China Relations.

I'm so excited to hear the views of such an eminent group of scholars and experts on a really important range of strategic questions confronting the U.S.-ROK alliance, ranging from the axis of upheaval, the relationship between China, Russia, North Korea, and Iran – what that means for our common interests – how U.S.-China competition affects the Korea-China relationship as well as the alliance, and how we can look at the future of trilateral cooperation with Japan.

So with no further ado, I'll turn it over to the panel for brief opening remarks from each of our experts. Victor, you have the floor.

Victor Cha: Well, thanks, Henrietta.

So I think it's – well, the first thing I'll say is as was mentioned in the previous panel, usually in conferences like this the economics and trade panel is the last panel. But it just goes to show you how important those issues are that that is now the second panel and something like the axis of upheaval becomes the final panel.

But anyway, so we thought this was, clearly, an important aspect that we need to discuss when we're talking about the alliance overall, in particular, the so-called axis of upheaval here at CSIS. We've referred to it – we've referred – we have a project on it called the CRINKs project – China, Russia, Iran, and North Korea. There, I think, for the alliance the

main challenge is not necessarily that this is some other, maybe, I don't know, a more sinister version of a Quad – that there's some sort of formal alliance among the four countries.

That's, clearly, not what we see. What we see is a grouping of countries that have different types of bilateral relationships but the sum of those parts is greater than the whole in many ways, whether we're talking about China-North Korea, Russia-North Korea, or any of these groupings, and they operate in ways that are complementary but that, again, that the sum effect – the aggregate effect of that is much greater than the sum of their parts.

So the classic sort of example of this, unfortunately, has been the way these countries have operated in support of Russia in the war in Ukraine where China has provided nearly 100 percent of the microelectronics for Russia's war machine, Iran has provided scores if not hundreds of both military and commercial drones as well as drone technology, and North Korea with Russia, as we all know here, has provided ammunition, troops, workers in return for food, fuel, and probably weapons technology of all sorts, right?

And so this – again, the parts are greater than the whole. This sort of complementary – these comprehensive bilateral relations with Russia have really enabled Russia to sustain the war for as long as they have.

I would focus in particular on one part of this grouping that is of most concern to Korea and the U.S.-Korea alliance, which is the DPRK-Russia axis, right? This is by far – I would say it is by far the most outwardly belligerent and revisionist of the so-called axis of upheaval.

Of, like, the different bilateral legs this is the one that is the most – it is the most overt military relationship and it is one that has clear revisionist goals in Europe and one that has been the most outwardly belligerent. Again, microelectronics, drone technology – this is one thing. Troops on the ground in Europe killing Europeans on behalf of the Russians that's a completely different category that we're talking about.

But I would also argue that aside from just the war – I shouldn't say just, but aside from the war in Ukraine this particular relationship has broader strategic implications for the alliance – for the U.S.-Korea alliance – and let me just tick off five of them, but four of them – and I won't go into any depth. I'll just name them for now.

Well, the first thing to mention is, like, I don't think this relationship is going away anytime soon. There's too much mutual benefit in the

relationship. Even if there is an end to hostilities in Ukraine the two are gaining too much from this relationship for it to suddenly disappear after Russia doesn't need – have an immediate need for munitions.

So the four quick implications beyond the war in Ukraine, one of them we've already discussed in the conversation with Deputy Secretary Campbell and in the first panel is that this – the DPRK-Russia relationship has clear implications for denuclearization diplomacy for the United States and South Korea.

Because Russia is providing a great deal of support to North Korea today, because Russia is not only not complying with the U.N. sanctions regime but is openly – and has openly tried to dismantle the U.N. sanctions regime by vetoing U.N. Resolution 1718, which was the resolution that authorized the panel of experts which was the enforcement and regulatory body in the U.N. that was tasked with ensuring U.N. member state compliance with the 11 U.N. Security Council resolutions that placed sanctions on North Korea, I mean, they are – Russia is openly sort of defying all this.

China is as well, and so for that reason the sort of traditional sticks that we think about in terms of bringing North Korea to the table really have been emasculated to a great deal by this relationship.

Second is this relationship has really merged the theaters, if you will, in the sense that this relationship has done more to connect the European and Indo-Pacific security theaters, arguably, even more than China's threat to Taiwan because this is actually happening right now and so there's a great deal we could talk about there.

Third, the DPRK-Russia relationship has real implications for extended deterrence and the credibility of extended deterrence in the U.S.-Korea alliance. If concerns are validated that Russia is providing high-end weapons technology to North Korea that will help them to achieve their goal of a survivable nuclear capability that's going to naturally raise questions about the NCG – the Nuclear Consultative Group – and everything else that the United States and South Korea are trying to do to shore up deterrence.

And then, fourth, I think this has implications for the alliance in terms of overall nuclear doctrine. Of course, China has embarked on a big military buildup in Asia. North Korea, you know, has 50 weapons, enough fissile material probably for 40 more. They want to have a nuclear capability – a nuclear weapons stockpile the size of Britain or France is my estimation.

But the other thing that I think that is not spoken about enough is that we're in a situation now where two out of the three nuclear powers in northeast Asia have explicitly disavowed a no-first-use doctrine. Russia made this very clear to deter NATO intervention in the war in Ukraine and shortly after that the North Korean government legislated that they do not have a no-first-use doctrine.

And, I mean, Henrietta knows much more about China than I do. China may say it has a no-first-use doctrine but the way in which they're building up I think really raises questions about whether that applies there. So and that's a very dangerous situation.

So let me stop there.

Ms. Levin: Great. Tom?

Thomas Wright: Thank you. I very much agree with what Victor said so let me just maybe reinforce and add a couple of points.

I very much agree that what we're seeing, what we called in the Biden administration adversary alignment, although I think CRINKs is probably more catchy, is – you know, is really a bilateral – a set of bilateral dyads and I think we saw each of those progress significantly in terms of the cooperation and integration between these countries with the exception, I think, of China-DPRK, which I think was more, you know, static.

We saw the others' progress and I think the Russia-DPRK relationship was probably the most dramatic, although I think China – you know, Russia was not that far behind. I think it's important to sort of recognize the role of the Ukraine war as a catalyst for this. I mean, clearly, these countries were cooperating before.

But, to me, I think the critical sort of breakthrough for them was that Russia was willing to give more to get more, and you'll recall, you know, early on in the conflict, you know, Russia actually approached the DPRK for assistance, for artillery and other forms of military assistance, and North Korea declined to assist Russia actually in the first instance.

It was only later that they agreed, and I think you've got to ask the question why did they say no but later they said yes, and the answer, I think, clearly, is that the price is more attractive. You know, what they were getting was more attractive later on. So Russia was willing to give more later because they did need this assistance.

And I very much agree with Victor that I think, you know, this is a good deal for North Korea because they get, you know, military modernization for the first time in many decades. I think they did diversify their set of partnerships so they're no longer fully dependent, you know, on China and they get important economic, you know, assistance from Russia as well both in terms of direct compensation for the troops but also North Korean laborers who work in Russia.

And so I think this has been a pretty deep relationship. I think if you told any of us who worked on that war in February or the spring of 2022 that at some point there would be North Korean troops literally fighting alongside Russian troops and they would be giving, you know, hundreds and hundreds of thousands or more of, you know, artillery rounds and other forms of assistance I think nobody would have believed it.

So I think it's – you know, it's important just to recognize how dramatic a step that is. I do think that this is basically sort of – under current leadership most of these dyads, especially DPRK-Russia and China-Russia are basically unbreakable. I don't think we can do some clever form of reverse Kissinger to separate them out because I think, you know, their interests are – you know, I think they're acting in accordance with their own interests.

I would sort of call it strategic transactionalism in that these are transactional relationships; you know, they are giving something to get something. But they go beyond pure transactions in that they are deeply strategic as well and I think we have seen, you know, an integration, particularly on the military-industrial basis of these, you know, countries and their militaries that I think goes beyond, you know, what we've seen in many alliances previously.

I think these are not alliances only if you judge it by the metric of, you know, NATO or the Indo-Pacific alliances but by any other historical measure I think they easily meet that bar of being sort of an alliance because, you know, alliances in general don't necessarily mean, you know, that one country will automatically go to war if another is attacked or if they invade somewhere else. They've often had less sort of integration on the military side than I think we see in many of these.

I do think there are things we can do, though. I think – you know, one thing I think we got right – and I'm sure there's plenty of things we didn't get right, but I think on the Russia-Ukraine war, you know, when North Korea intervened I think we made a concerted effort to try to ensure that that failed or at least that North Korea would pay, you know, a very heavy price for that intervention.

And so we did authorize the use of long-range ATACMS, you know, inside of Russia to be used in the first instance against the North Korean intervention to try to show that, you know, this would be a high cost for Kim Jong-un and also that he would have incentives not to turn it into a persistence pipeline where he could continue to send troops in to get some battlefield experience but that they would be relatively protected or insulated from the cost of war.
I think there are other things we can do, too. I think the sanctions regime, for instance, on the financial side has had a suppressant effect on how far China is willing to go on integrating on the banking to banking side with China, and I think that's sort of important to have that and it would worry me if that is lifted as a result of an easing of sanctions if the war in Ukraine comes to an end because I think it will actually accelerate China-Russia cooperation rather than diminish it.

I think we also need to try to contain this adversary alignment so it doesn't spread to other countries, you know. So we work pretty assertively to try to ensure, you know, that new countries don't join that sort of set of dyads and I think we need to prepare as well.

I mean, we found, you know, in government that there was a lot of silos and people wouldn't necessarily be aware if they were working on North Korea or in Russia or China of something that directly impinged on their AOR if it happened to be, you know, in – happening in another country, right?

So even on something like Russia-China you've really got to force, you know, the bureaucracy to collaborate and to communicate with each other and to swap notes and to think about what are the longer-term – not just longer-term, what are the short- and sort of medium-term implications of this and how do we sort of posture ourselves, you know, in a way that can push back.

And then the final thing I would just say is I think it does – you know, as troubled as some of our alliances are at the moment, the integration and cooperation on the other side is not slowing down, right. If anything it's continuing, and I think the strongest sort of response we have is to strengthen and deepen our own alliances and then to work with those allies on sort of countering this alignment between our adversaries and competitors.

Ms. Levin: Great.

Tom, I think you draw an important distinction between the likely impossibility of changing the overall strategic trajectory of these countries' relations but that there is a lot the U.S. and like-minded

countries can do to on a more tactical level constrain the forms of cooperation that might be most damaging to us and our allies.

Youngjun, please.

Kim Youngjun: Yeah. North Korean nuclear strategy is not a new issue, and over the 30 years everybody tried to stop, or denuclearization, like Victor or the other guy, everybody. But now it's everybody worry about Russia-China-North Korea military partnership, possibly, especially when Russia invite officially North Korean People's Army to join Russia and China military exercise.

In 2019, for the first time China joining – Chinese PLA, 3,000 soldiers joined Russian Vostok exercise in far eastern area, everybody kind of laughing because Russia-China strategic rivalry, it'll be just a one-time event, or something like that. More wishful thinking. But now, 2022 and maybe next year is more bigger participate from China's PLA. So now this is a realistic concern, not just North Korean nuclear threat or China's military power separately. This is a connection between the three countries.

So, actually, at the time, in 2019 National Bureau of Asian Research – Roy Kamphausen is a good friend of mine – asked me to write about possibility of a North Korean KPA to join China-Russia combined exercise. My answer is no. Why? North Korean Juche ideology, everybody know, is not just about against the U.S. imperial power or something, but also independent from Chinese influence. That is the Juche ideology. So North Korean children textbook is 50 percent about Kim Il-sung's heroic activity against U.S. power, but 50 percent of the children textbook is about – against China's influential power, because North Korea literally want to have their own nuclear power rather than foreign troops in North Korean territory, especially after China's – (inaudible) – withdrawal in the late 1950s. That is the Juche ideology. That is why Kim Il-sung tried to get nuclear power rather than having Chinese military troops in their territory or Russian troops in their territory.

So there's no single combined exercise for North Korean People's Army over the seven years before the Russian-Ukraine war. There's no single combined exercise between Chinese PLA-North Korean People's Army, or Russian Army and North Korean People's Army, even during the Korean War. Never. But now is – everybody is surprised North Korea sent troops about the – to Ukraine and now it's getting deeper relation. So I worry about their potential partnership.

And when I traveled to the Chinese last year, at the time Yoon Suk Yeol government really worry about the Russian-North Korea close relation and they want to have managing Chinese relations not to join Russian-North Korea partnership. So I and some other guy at a track-two meeting, we stopped by three key government think tanks in China. One is a PLA think tank, one is the Chinese MOFA, and one is a Chinese CIA think tank. And my only question is about: How about China's position on North Korean People's Army to join Russian-China exercise? So their answer is all the same: It depends on you, not me – (laughs) – meaning your Camp David trilateral partnership or NATO plus IP4 will impact on Chinese-Russian invitation to North Korean People's Army.

So when I get back to the Korean, I publish again with the National Bureau for Asian Research report about it is timing, (not option ?). North Korean People's Army will join Russia and China exercise in coming years. It's not about dream. It's not about the scenario. It'll be just timing. But if I'm Kim Jong-un, it'll be great option to join, symbolically anyway.

And at the same time it is not about North Korean People's Army in Russian far eastern area; it also North Korean is able to invite Russian army and Chinese PLA into North Korean military and North Korean territory, like above the DMZ or near Wonsan, to exercise together. So worst scenario will be nuclear partnership between the three country, or we can see maybe a small number of Russian military official or a small number of Chinese PLA near the demilitarized zone every summer against our combined exercise. So it'll be disaster.

So we have not many option. We have maybe two or three option. One is maybe we can reclaim military partnership between three country by managing our relation with China or our relation with Russia. Or the second thing is that we need to build up our strong military partnership between the NATO plus IP4 or further partnership as well. The third option will be reverse Kissinger strategy.

Actually, when I was a national security board member for the Moon Jae-in government I always make the argument that we need to – North Korea as a second Vietnam. Vietnamization of North Korea will be maybe in benefit to Trump administration containing China. We can have it with Kim Jong-un, because Kim Jong really wants to be independent from – economically or psychologically from Chinese influence. But now is a different scenario because Kim Jong already happy to get benefit from the – their good relation with Russia, their good relation with China.

Already Tom point out sanction already has no effect thanks to China, thanks to Russia. So Kim Jong-un has no choice and no option to join the U.S. government negotiation independent from the Chinese influence. So maybe we have a very difficult situation now and we need to have a more creative partnership scenario in weakening their military partnership.

But I'm really concerned about their military partnership maybe in coming years. Maybe we can see the liaison officer of Russian army or PLA inside of North Korean People's Army in North Korean territory.

Ms. Levin: Thank you for the somber assessment.

Seong-Hyon, please.

Lee Seong-Hyon: Thank you.

Well, since Professor Kim talked about hard power, it kind of relieves me hopefully to engage in a more soft-power side and grand strategy.

I remember about three years ago when I came to D.C. there was a(n) emerging initial stage of cooperation between Russia and North Korea, and I told a colleague of mine here we should write a policy report about it. And he told me: Don't worry about it. It's not going to last. (Laughter.) It's a transactional relationship. Russia is a big power. North Korea is a small power. And for Russia's perspective, you know, engaging this short romance with North Korea, it's going to last very short and the Ukraine war will – you know, will be finished very soon. And from Russians' perspective, this is going to be probably a one-night stand, this romance with North Korea.

From my perspective, I was thinking – I didn't have much wisdom, but I think I was thinking more, like, intuitively at the time, the surrounding geopolitical situation where North Korea was at the time. At that time, the Biden administration was engaging – not engaging in North Korea with the so-called Biden version of a calibrated approach toward North Korea, which is virtually strategic patience – strategic patience to, you know, North Korea. And it was a pandemic period, so, you know, aid from China was blocked and South Korea was just starting a conservative government of Yoon Suk Yeol.

So your lifeline or your outreach to Washington, Seoul, Beijing, they're all blocked. And the real, you know, Jesus Christ moment of, you know, Messiah, Savior, comes from? That's going to be Moscow.

So I told him that we need to watch this, how things go from here. But at the time, I think the collective consciousness in Washington, D.C., was more or less a little bit like downplaying. But now we're seeing that this is really becoming a significant geopolitical issue, as all the panelists mentioned. And I think that in that sense the project that, you know, Victor is doing – CRINK – for us is really – real, real, really important.

I do China, so I'll just share where China fits into this equation in this trilateral relationship – China, Russia, North Korea. My diagnosis is that comfortable equilibrium.

Some people claim that, you know, China is uncomfortable when North Korea getting close to Russia. It's like poaching, you know, China's ally, so China's self-esteem was hurt. I don't think so. I really don't see that. China is very comfortable because, in a way, if you look at it from analytic perspective, China outsourced North Korean problem to Russia, and the usual Washington's focus and attention, you know, on North Korean issue, you know, diverted from China to Moscow. It's, like, now let Russia do babysitting on North Korea. That's where China stands.

You know, North Korea is, you know, sending ammunition and missiles, making money. Russia is also aiding North Korea with advanced technology. So these three trilateral relationship is mutually beneficial relationship. It's mutually, you know, enriching, you know, relationship.

This – some people correctly mentioned that this is a transactional relationship. I agree this is a transactional relationship. That's why it's very – much more dangerous, because their transactions just work so well at this stage of geopolitical upheaval.

So China is just sitting back and watching. China didn't say much. Kim Jong-un visited China military parade in Beijing a couple of month ago. If you look at the Chinese Foreign Ministry readouts, you know, China quietly dropped the vocabulary "denuclearization." It was not a one-time event. You know, North Korean Foreign Minister Choe Son-hui visited two weeks later to Beijing, met with Wang Yi. The Chinese Foreign Ministry readout again quietly omitted "denuclearization." Choe Son-hui also met with Prime Minister – Premier Li Quiang – Chinese Premier Li Quiang. Again, the Chinese readout omitted the word "denuclearization."

In APEC, you know, Xi Jinping met with South Korean President Lee Jae-myung. And again, even though South Korean side, you know – you know, prodded to the issue of, you know, North Korean denuclearization, as we have been discussing in this today, but Xi Jinping did not, you know, utter a single word of denuclearization.

When Xi Jinping visited Pyongyang in 2019, you know, Chinese Foreign Ministry, you know, readout mentioned "denuclearization" – (speaks in Mandarin) – four times in one single – (inaudible) – page. But this time a series of four high-level meetings with Kim Jong-un and Xi Jinping, also South Korean President, you know, Lee Jae-myung and Xi Jinping, you know, "denuclearization" is gone. It's omitted.

I think this is probably where things go from this is, like, temporary thing or things – it's writing on the wall. I think we have to watch. We have to watch. But I think the danger is that in – on the side of underestimating rather than overestimating.

I'll just stop here.

Ms. Levin: Great. Thank you.

Very helpful for you to parse the significance of the absence of denuclearization language in some of these documents when we've come so accustomed to seeing China, even if it's not going to push North Korea on the issue, at least affirm its own policy priority when it comes to denuclearization, and that change does seem to be significant.

So I may just ask a couple questions of the panel and then we'll open up to the floor for any questions from the audience. So just to start, there has been, you know, plenty of discussion about how unusual this geopolitical moment is, how rapidly the international environment is evolving, and I think one of the factors that has really exacerbated uncertainty in some of these international dynamics is the state of the U.S.-China relationship.

There's so much uncertainty in the direction of U.S.-China relations coming out of President Trump and President Xi's meeting in Korea. You know, it seems like both sides are seeking a more extended period of stability and, I mean, one, I think, very significant moment we've seen just in the past few days is press reporting that on President Xi's behest President Trump called over to his Japanese counterpart to say, could you please tone it down on Taiwan because it's important to China, which is just a very significant kind of reorientation of what we would expect in how the U.S. engages in northeast Asia.

So I'm wondering how the uncertainty in the U.S.-China relationship affects matters of adversary alignment, affects how the U.S.-ROK alliance would think about its own role in northeast Asian security, and, of course, the Korea-China relationship as well.

And then if I could just pile one more question on top of that for folks' consideration, we haven't really gotten into the Japan piece of this yet

and opportunities for trilateral cooperation, perhaps to advance an affirmative agenda that would most compellingly counter some of the more problematic trends that we've seen and discussed already in the panel.

So let me just pose all of that back to the panel and perhaps, Victor, we could begin with you again.

Dr. Cha: Yeah, it's a great set of questions and there are many thoughts.

I mean, the first, I think, is that we've just come through a period – I'm talking about the alliance now – we've just come through a period where we've had two summits in a period of, what, August – two summits in, really, two months, and then a fact sheet, as I think Rob or Kelly Ann mentioned November 13th, that has a lot of stuff in it, right?

So on the one hand, you can look at this and you can think that these are major changes that are coming to the U.S.-Korea relationship. You know, on the trade side I certainly understand some of the concerns expressed in the last panel, but at the same time there's tremendous opportunity, $350 billion of investment that could go into work that benefits Korea and the United States on nuclear energy, on shipbuilding, on chips, on AI, quantum, outer space, all these things.

And then on the security side, OPCON transition, defense industrial cooperation, shipbuilding, submarines – there's so many different things. If you add that on top of what we've seen, going back to the Biden administration, of major decisions made by Korean companies to invest for the future in their critical and emerging technologies, very explicitly in the United States. Just legacy systems in China but the cutting-edge future is all in the United States.

As we said, last five years biggest greenfield investor in the United States is South Korea. You know, for many of us here who work on sort of the alliance relationship in east Asia there was always this question of, like, Korea, where is it strategically? Is it tilting towards China? Is it tilting towards the United States?

I mean, if you just look at the decisions that have been made dating back to the Biden administration by Korea, to me it's very clear which direction Korea has made its choice. It's in the direction of the United States. It's eminently clear. They don't have to say that publicly because it just invites backlash from China but, you know, if you just look at the decisions that have been made it's very clear.

Now, having said that, I think all these things are happening at a time where there is also publicly a lot of celebration that this is the direction in which the alliance is going. It's getting better. It's getting bigger. It's getting stronger.

But there also is anxiety – like, very clear anxiety because – I think you wrote this, Tom, in the Atlantic – because when it comes to China they're not really sure whether President Trump is just an economic hawk on China or whether he's actually also a security hawk.

Did you write that?

Dr. Wright: Yeah. Yeah.

Dr. Cha: OK. That's what I thought. I remember that from – questions about whether he's actually a security hawk on China or is he just transactional on China.

And so, you know, I think for the alliance and Koreans, but also Americans who are alliance managers, alliance supporters, former alliance managers, you know, this is the big question and it's not really going to get answered until next April probably where we will see what comes out of the Trump-Xi summit.

Now, as you referenced, Henrietta, what we've seen over the last, what, 48 hours with regard to the conversation between President Trump and Xi Jinping and then apparently this phone call to Prime Minister Takaichi, that's not comforting. I mean, it's not comforting, clearly, to Japan but it should not be comforting to Korea either, right?

The other thing I think that some of you may have already heard me say in different fora or in the podcast is we have this big U.S.-South Korea nuclear submarine announcement, completely unexpected. Surprised everybody, really sort of a step change, potentially, in the alliance relationship. But it's not going to come without a cost.

I mean, there's, clearly, going to be a material cost because this is going to cost a lot of money, but it's not going to come without a cost vis-à-vis China because I fully expect that China will use some sort of economic coercion on South Korea to punish them for this decision to do nuclear submarines with the United States.

And so there the question then, again, for alliance managers is when China does that – and I'm not saying if, I'm pretty sure it's just when – when China does that is the United States going to be there, right? Are they going to say anything or do anything?

So, to me, it's akin to a roller coaster. Like, you reach these high points and then all of a sudden it, like, dips to these low points and then – but then it goes back up again. It's kind of like riding a roller coaster right now, and I don't think it's because there's concern about interest in making big steps on industry, on investments, on ships, on subs, on any of these things.

It's really the security piece of the equation that is uncertain. The SCM itself looks great. The Security Consultative Meeting press statements look terrific. They say all the right things and that's good, and that shows that the professionals inside both governments are able to work and manufacture the statements and the policy directions.

But, you know, in spite of all that, like, we just don't know if in the future Trump would meet with Kim Jong-un and he'll say, I'm stopping exercises, or, I'm going to pull some troops out of Korea, right?

We just don't know, and so that's why it's a bit of a roller coaster.

Ms. Levin: There's a certain irreducible uncertainty to this method of decision-making.

Dr. Cha: Yeah. Yes. That's right.

Ms. Levin: Tom, what would you add?

Dr. Wright: Yeah. I mean, again, I really agree with what Victor said.

I mean, I guess, you know, I think it's been pretty clear on the U.S.-China side over the last sort of 10 months or so that President Trump is not really interested in strategic competition and he does not see that as sort of the guiding principle behind U.S. strategy, and that also applies to Russia and I think to North Korea as well.

I think he wants to, you know, not be taken advantage of with these countries and not to have, you know, them to commit an act of aggression that might reflect badly on him. But I think he also wants to cut a deal. I think traditionally he's been more aggravated by allies and partners than by adversaries, in a way, because he basically views the threats through the prism of interdependence.

So any trade, you know, he views as a vulnerability and, you know, that the U.S. has been taken advantage of and that's almost always with allies. China's a little bit of an exception, obviously, but I think that's where his focus has been with them.

I also think that the Chinese reaction to the initial tariffs and Liberation Day and everything caught them by surprise. I don't think they really have priced in the critical minerals/rare earths retaliation before it happened and I think they were surprised about the vulnerability of the U.S. to key goods from China outside of the critical minerals, you know, area.

And then when Beijing imposed this architecture for, you know, export controls on their side I think that also shocked, you know, the administration. He pushed back pretty hard but then didn't really, you know, retaliate in kind and I think we're at a position now headed into April where very much, you know, his intention is to try to have, you know, a deal to sort of work things out or manage things.

And quite what the effect of that will be on the long-term or even medium-term investments both domestically and strategically that the U.S. needs to make to compete with China I think that part is pretty unclear. But I think the repercussions for the allies in the Indo-Pacific, I mean, that matters and I think we're seeing that with Japan, you know, now.

We don't know if that report is true; it's been disputed, obviously. But we do know that he – it wasn't in the readout of the call with Xi that he raised, you know, that to rebuke Beijing for that. Like, he should have been raising that as a point of concern, that Beijing's reaction to the prime minister's statement was so over the top and we saw some of the wolf warrior comments from the consul general in Osaka and all of that.

So at the very minimum, you know, he wasn't sort of weighing in. They came in quite late at a State Department level to back up Japan. So I think it is a – you know, I think it is a problem but I think, as Victor said, there are things happening. You know, as you saw with the, you know, deepening of the alliance with South Korea there are some good things happening with the other – with Australia and with Japan as well.

So, hopefully, it's sort of – you know, we can muddle through this. But I think the lack of sort of clarity from Washington, I think, on the overall geopolitical stakes is an issue.

Ms. Levin: Great.

Youngjun?

Mr. Kim: Yeah. My answer to your question will be good U.S.-China relation will be a magic solution. I think we have a lot of concern on the Xinjiang Uyghur human rights issue or Hong Kong democracy or Taiwan issue.

But basically without engagement we cannot start anything because with their own domestic problem, especially Xinjiang Uyghur human rights issue or democracy issue, without engagement between the U.S.-China we cannot solve anything.

So especially for the Korean Peninsula, bad relations between U.S. and China will be a disaster I think, as I said earlier, with the partnership or nuclear partnership between the three countries. Maybe Russia deployed their nuclear submarine in Wonsan for one month or something like that, everything.

We cannot stop because of their own sovereign country so we need to prevent worst scenario between three countries, and basically Kim Jong-un anyway wants to be independent from Chinese influence, basically. They want to have a Russian partnership. China relation, as you know, is not the same as a U.S.-ROK partnership.

So I think the U.S.-China good relation will be the best answer, and I don't know why Trump loves Putin and they love each other and Trump and Kim Jong-un love each other. Why not Xi Jinping? Xi Jinping is – looks like good. So I know, many problems. But yeah, we love Chinese history. CCP issue is different.

But I think Trump is a peacemaker and many people love peace. So maybe we can start some conversation between the two because Trump is – one good thing is that he is not a(n) idealogue, right? More pragmatic.

That is sometimes controversial. But, anyway, with a more pragmatic solution to the China problem. Without it, the new Cold War is anyway disaster to Korean Peninsula.

But at the same time anyway we need to build up our trilateral partnership or even NATO plus IP4 partnership as well for the contingent scenario, and China or North Korea now is to see Korean Peninsula and Taiwan as one combined theater, not separate. We need to build up our partnership in the same way.

So I support nuclear-powered submarine. I support even a Korean version of AUKUS and I support everything we need to do if it's possible with the NATO partnership as well. But at the same time, U.S.-China good conversation will be the best option we can choose.

Ms. Levin: It's a very important point on the interconnected nature of these, you know, apparently disparate security challenges on the Peninsula or

around Taiwan, or even in Europe and the need for that common allied approach even involving NATO to address such a complex global set of challenges.

Please?

Mr. Lee: Yes. Henrietta, you mentioned that, you know, at the outset of this conversation uncertainty. I hear you. Uncertainty.

Victor, you mentioned anxiety – we are living in an era of anxiety. I hear you, Victor. You also mentioned we are living in an era of a roller coaster.

Ms. Levin: Are you about to tell us we actually shouldn't be anxious? It's going to be fine?

Mr. Lee: No, no. You know, this is South Korea-U.S. strategic dialogue. Actually, this explains what South Korea is doing right now in this era of, you know, uncertainty.

You know, there are lots of things that I disagree with Xi Jinping but there's one thing that I agree with him, that is, that Xi Jinping – we are living in an era of uncertainty and great upheaval never seen in 100 years.

That's something that I probably only think that I agree with him, and what South Korea and Japan does at this time, the Japanese prime minister's remark that angered China over Taiwan I don't think the audience was Chinese. I think the audience was Washington.

When Xi Jinping and Trump met and toned down the temperature and tension, they see that, you know, possibility of this grand bargain between the U.S. and China and these countries feel – you know, smaller middle power countries they feel a fear of abandonment, anxiety – anxieties that you mentioned.

So when Washington is approaching Beijing with a strategic ambiguity and shaking hands with Xi Jinping, interestingly, U.S. allies in Asia they are showing a strategic clarity by, you know, intentionally making that statement.

The audience is in Washington. Even though you mentioned that Trump told Japan to tone down, I don't think, you know, that Japan's strategy was only for the Trump administration. The audience was Washington as an institution, Washington as an establishment, Washington as – you know, that will last. And Japan wants to make sure that, you know, from Washington's perspective Japan is really, really a reliable partner and I

think, you know, Japan succeeded. I think Japan is looking at a mid-term and long-term game here – geopolitical game.

Let me just finish by saying what South Korea is doing. Likewise, Japan – you know, Victor mentioned, you know, the continuity of policy, for example, Taiwan. You know, during the Yoon Suk Yeol administration, you know, they mentioned that, you know, South Korea opposed unilateral action on the Taiwan Strait and this progressive government, Lee Jae-myung, the same statement still preserved in the joint fact sheet – continuity, even under progressive government.

What's happening here? I think what is missing in the past in South Korea-U.S. alliance was that we have been a military ally but we are not really industrial ally. In this era of great upheaval and uncertainty, South Korea wants to lock in the relationship with Washington so that Washington cannot divorce away in this era of – you know, because South Korea is a smaller partner, the ally of the big, you know, power. This is, you know, survival instinct from South Korean perspective.

So how do you show your loyalty to Washington? The number, $350 billion U.S. As someone mentioned in our previous panel, that's such a big amount of money for South Korea to invest.

Yes, it's a costly investment but it's also a demonstration of a commitment over multiple years. Thousands of South Korean workers in shipping industry, auto industry, service industry, IT, technology, artificial intelligence – they'll come and they'll work with U.S. workers and they'll, you know, create jobs. There is a merger of industry. There is a merger of people exchange, you know, that has a natural effect as well.

So I think it's very interesting to watch how these middle powers like, you know, Japan and South Korea they are showing a strategic clarity when U.S. is showing strategic ambiguity. This is something to watch.

Dr. Cha: Can I say –

Ms. Levin: Please.

Dr. Cha: So I think that's actually – I think that's a very interesting point that, you know, when allies have a fear of abandonment they can do one of two things. They can – or they can do both. They can complain a lot about how, like, you're not doing enough for me.

But the other thing they can do is they can hug you closer, right? They try to hug you closer so you can't abandon them, and this – you know, this sort of turbo charging of the industrial partnership, particularly for

a president that focuses a lot on that particular aspect of what allies are worth, right, may be what the Lee government is trying to do.

I think it is important that in the fact sheet there is the line on Taiwan and then right after that is the line on the Law of the Sea, which is effectively a marker for both South China Sea and Yellow Sea and maybe even East China Sea.

So I think – and that is not normally what you would see in a progressive government in South Korea, a joint statement with the United States. If anything, they would try to downplay those issues.

The one other thing I wanted to say is on – where you started, Henrietta, on this question is that we don't know the context in which President Trump raised this issue with Xi Jinping. You know, I mean, at least we know what the reported result of it was, which was that the president reportedly called Takaichi to basically tell her to sort of damp it down – like, calm things down.

But it's like – to me, it is entirely in U.S. and South Korea and Australian interests, for that matter, to really come out and express a great deal of concern about what China is doing to Japan, right, in terms of the seafood imports and the tourism and the students.

It is important for them to do that because, you know, they have all been victims or targeted by China's economic bullying, all of them. I saw something this morning that came from a Japanese official that basically said, you know, it is interesting how silent Australia has been with regard to Chinese actions against Japan because, of course, Australia has been greatly targeted by China with economic coercion.

And for that reason, I think also it is, to me, like, not good that South Korea has been so quiet about what China is doing to Japan because, as I said, I think the next shoe that will drop will be, you know, China will then focus. They have been focusing on Japan. They have been focusing on the U.S. – the six U.S. subsidiary companies of a Korean shipping company that have been in the wake of the U.S.-Korea announcement on shipbuilding.

The next target to me is, clearly, Korea over this nuclear submarine deal and I would expect that if China – I shouldn't say if – when China does that they would want to hear support from the United States, from Japan, and from Australia.

Mr. Lee: Two fingers.

Victor, I 99 percent agree with you and let me explain 1 percent where I

have to disagree with you. Trust me, this is the only time in my entire life that I disagree with you. (Laughter.) It will never happen again. (Laughter.)

Dr. Cha: That's what my wife always says to me. (Laughter.)

Mr. Lee: I mean, you know, showing solidarity with Japan as both allies of the United States so understandable. So understandable. You know, this is what is expected. From a strategic perspective, you know, Japan, as I mentioned, showed a strategic clarity by touching, pressing the button of Taiwan.

Now, Japan's strategic value to – from a Chinese perspective is a used-up card. It's a discarded card. China will continue to have adversarial relationship. South Korea choose to the same way. But is this the only way for South Korea show solidarity?

Japan is a maritime, in a way, shield to Washington, and showed loyalty to Washington. Should South Korea – should do the same way? Is this the only way? In a way, you know, South Korea is a continental anchor to U.S. strategy, you know, of, you know, blocking China's rise, and it should play, I think, a little bit different way.

South Korea just announced this humongous strategic investment and I think South Korea's role as a continental anchor blocking, you know, China entering into Indo-Pacific should, you know, have this rebuilding industrial base robustly with the United States. That's the role.

And also, secondly, at this time of – you know, there's great people. Military conflict could always happen. We heard that China's side just cancelled all the, you know, strategic communication channels with Japan as a sign of anger.

At this time, Seoul – it's better for Seoul still to have a communication channel with Beijing so that we could prevent, in a way, crisis management. So there is a utility with the same goal but different actions, which is – I think it's also – you know, we should consider.

Ms. Levin: Thank you.

I'd like to open up the floor to any questions from our audience with our limited time remaining. If folks could, perhaps, put up a hand. I see one over here.

Please.

Q: Thank you. Joe Bosco, formerly with the Defense Department.

I have a question for Victor. You've correctly noted that the so-called axis of upheaval is not – it falls far short of a formal alliance among the four powers. But I wanted to ask you a very theoretical question and that is if there were to be regime change in one of the four powers, let's say, Iran, what effect would that have on the other parties to the alliance – to the axis?

Dr. Cha: Well, in a way, Joe, the answer to that question – in a way, Joe, I think the answer to that question is the fact that it isn't an alliance and it's a series of coordinated, complementary, bilateral agreements actually makes it more resilient if one of the partners falls off.

Like, if there is regime change in one place that doesn't disrupt the axis because the other parts of the dyads, I think as Tom called them, are still functioning, right. They're still operating.

As Tom said, the Ukraine war turbo charged much of this and – but that is not to say that – I mean, I think we all agree that there is a lot of mutual benefit that they see in continuing these relationships even after there is no longer the turbo charging element of the hostilities in Ukraine.

So the other thing I would say is that – and this goes back to something that was said earlier about North Korea wanting to distance themselves from China – I agree with that. But I – personally, I find the DPRK-Russia relationship much more threatening from a U.S. perspective than the DPRK-China, not just because of what the Russians may be giving to the North Koreans but the fact that even though we, the United States, were very frustrated when we worked with China in places like the Six-Party Talks for them to exert influence on North Korea, we were always very frustrated because China would never do enough for – still, there was a sense that we could work with China because China saw it as in its interests not to allow North Korea to be too belligerent, to go too far, to go over the cliff. Seventh nuclear test, these sorts of things.

I don't think Russia has any of that sort of regulatory framework in their mind when it comes to DPRK behavior. I mean, personally, I don't think they care if North Korea does a seventh nuclear test or if they test another ICBM over the Japanese archipelago, right. I don't think the Russians care.

Or if the Iranians go to the North Koreans and say, can you help us reconstitute our nuclear program, I think the Chinese would have a lot of trouble with that – problems with that. I don't think the Russians care about that.

So, in a sense, I think even if there's regime change in one I think this grouping is still resilient because they're composed of dyads rather than they are one sort of solid grouping, you know. So they're dyads, not four legs of a stool where you pull out one leg and the stool can't stand anymore. But the DPRK-Russia part of this is to me much more concerning than the relationship between DPRK and China.

And the one other thing I wanted to add based on something that was said earlier is that I'm not saying, like, when – the only good outcome for Trump and Xi when they meet in April is for there to be no agreement. Like, I don't think anybody's saying that.

I mean, sure, there should be agreements but there should be agreements that do not undercut the alliance equities that the United States has with Japan, South Korea, or even the equities that it had in the relationship with Taiwan.

I think – I mean, I don't think Washington, D.C., if we use sort of the term –I mean, Washington, D.C., is not hoping for a disaster between Trump and Xi next April. I think there's just a desire for agreements that, you know, reduce tensions, improve the security situation, but do not – at the same time do not undercut fundamental axiomatic alliance equities.

Ms. Levin: I saw a second question over here. If you could put your hand up again. Thank you. Please, if you could start with your name and affiliation, please.

Q: Thank you. My name is Don Kirk.

I just wonder – and you may have touched upon this but I could have missed it – but what effect is South Korean nuclear reprocessing going to have on this relationship with China and Russia? And particularly as they engage in nuclear reprocessing to power their own submarines – not just one; they would like to have a few – a couple more nuclear submarines. Thank you.

Ms. Levin: Who wants to take on nuclear power?

Mr. Kim: Yeah. Maybe when Lee Jae-myung and Trump announced that deal many people expect the Chinese strong reaction to the – but looking at the – do you remember some missile guidelines released during the Moon Jae-in administration? China kept silent because this is not (a set ?). This is not an American deployment of their missile range or system in South Korea. This is a South Korean sovereignty issue, and Lee Jae-myung tried to do that. It's not because of nuclear potential weapon, but

more a safety issue and environmental issue and spent fuel cycle management, like, issue, or nuclear power plant export rather than nuclear weapon process. So China complained something with their silence, but not too much strong reaction to this type of deal.

And Japan already had the same type of deal, right, with the U.S. as a 1-2-3 Agreement, but we have a different deal. So that's why the Lee Jae-myung government is trying to have that type of Japanese level of nuclear reprocessing and enrichment, right?

So this is for the – more like the environmental safety issue rather than militarization. So I think China kept silent because of that issue, and they need to understand that type of process is not about a road toward the nuclear weapon capability rather than the nuclear – the power plant capacity.

Ms. Levin: Great. Thank you.

Dr. Cha: So I don't think we know yet exactly what is in this agreement. There are a lot of details that have to be worked out.

I don't think, Don, it's a foregone conclusion that this agreement will entail South Korea doing reprocessing and making their own spent fuel and doing it over 20 percent. Like, I don't think any of this has been worked out yet. I mean, I don't think any of it's been worked out.

I mean, to the point of your question, I do think that there is a zero-sum relationship between South Korea's desires to improve their capabilities because of the growing threat from North Korea and the threat or whatever you want – the reaction perceived by China.

I think that's a – there's a zero-sum relationship there because things that Korea wants to and needs to do to enhance their capabilities are going to look more like things that turn the alliance from just a peninsular alliance to more of a regional alliance and that is the neuralgia point for China, right?

And you know this argument well. If the Chinese don't like that they should do more to subdue the North Korean threat. Like, if they don't want South Korea to arm up then they need to do more to subdue the North Korean threat.

But we've been saying that to the Chinese now for how many years? Like, 35 years? And it, clearly, hasn't worked. So in a sense, I think the root – what is it? The hens are coming home to roost or whatever the –

Ms. Levin: Whatever the animal is supposed to –

Dr. Cha: Whatever the animal metaphor is that – you know, President Lee said it himself, although they walked it back after that. South Korea needs its nuclear submarine capabilities to track North Korean nuclear subs and to track China subs.

And, of course, the government then tried to walk it back but I think he was saying the quiet part out loud and it was in reference to Chinese activities not just in the South China Sea but also in the Yellow Sea and in the provisional maritime zone where China is basically doing now in the Yellow Sea what they were – what they've been doing in the South China Sea.

Mr. Lee: Can I have a 30-second intervention?

My perspective is that – you're right, this is very interesting. You know, we need to explain why China's response, reaction, to the announcement of Trump greenlighting South Korea's nuclear-powered submarine was rather modest.

My best appreciation is that China does not trust the Trump administration will give that and China also sees that, you know, it only has three more years and other or subsequent administrations come in. And, you know, China simply does not believe that and they asked me, do you believe that?

So I think this actually gives us, Seoul-Washington alliance, demonstrate to the Chinese audience that, you know, our alliance, we – you know, walks the talk. We do 350 billion (dollars) investment, you know, industrial merger alliance. And U.S. also, you know, promised to give, you know, nuclear submarine, you know, technologies and – (inaudible).

This is such a surprising announcement. So there are a lot of audiences watching how Washington does from here – just get South Korea's money and does not give the nuclear submarine or Washington fulfills its promise, including the audience in Beijing.

I think this is a really good time to defeat the suspicion or sense of sarcasm coming from Beijing by demonstrating the robustness of alliance.

Secondly, the second reason that China's response was rather modest was that, you know, this was Xi Jinping's visit after 11 years. The last time Xi Jinping visited Seoul was in 2014 so this is eleventh year, and it was very difficult.

You know, I'm not going to go into all the details about how this summit was materialized, but then Chinese side attached a meaning that any way, finally, our top leader Xi Jinping sat down with your top leader, Lee Jae-myung, and we attached a meaning to that. So our relationship is set back and it's up to us, both Beijing and Seoul, what to do from now on.

So I think, as Victor mentioned, we don't know how things go on forward from now but I think that they are giving a time period. They're cooling off and see and, you know, where we go from here. So this kind of explains this very strange period that – in South Korea-China relations.

Ms. Levin: Great.

Dr. Cha: So we should ask Tom.

Dr. Wright: Oh, no, I'm OK.

Dr. Cha: No, I was going to say that we should just ask you, like, four years from now when a Democratic administration is in government and you're back in the White House are you going to support –

Ms. Levin: It's a yes/no.

Dr. Cha: – a nuclear submarine or –

Ms. Levin: Lightning round question. (Laughter.)

Dr. Cha: Yeah, you don't have to answer. (Laughter.)

Ms. Levin: Well, we have just about two minutes left in the panel so I just want to take this time to offer our panelists a chance for a very brief concluding remark to wrap up today's exceptional series of conversations.

So, Seong-Hyon, perhaps you can continue and we'll move through the panel this way.

Mr. Lee: Well, I think that – thank you for giving this opportunity.

I think, you know, my departing keyword is that capacity building. In a way that Xi Jinping and President Trump met and that they needed time, a ceasefire moratorium – lowering tension – was that they need, in a way, industry capacity building on both sides.

China need to – need to rebuild the economy and capacity building, technology, semiconductors, (artificial ?). The U.S. also needs that

capacity building. And I think this is a big trend, and I think this is also a good opportunity for, you know, alliance between Seoul and Washington.

We also work on our own capacity building in this era of great upheaval, uncertainty. That is the way to make the, you know, uncertainty become a certainty, by working on specific concrete projects that benefit both Seoul and Washington.

Ms. Levin: Thank you.

Mr. Kim: In order to stop the third world war in – (inaudible) – area or Korean Peninsula or Taiwan, we need to do anyway two track. One is try to manage the relationship with China and Russia. At the same time, we need to build up our strong partnership between ally.

So if I'm Xi Jinping, something happen in Taiwan I will ask Kim Jong-un to cyberattack – (inaudible). So we need to stop that but it is not easy. So we need to anyway manage good relations between U.S.-China, Iraq and China, and U.S. and Russia.

At the same time, we need to build up anyway to prepare for worst case scenarios in coming years so we need to build up our strong military combined exercise at the same time. It is not easy but we have to do.

Ms. Levin: Thank you.

Dr. Wright: Yeah. I agree with all that's been said so far but I would just add one thing that's been worrying me a little bit.

I mean, in our, you know, administration I think we worried about this and we proactively tried to declassify intelligence, put information out there and track, you know, this alignment and what each of these countries was doing for the other.

I do worry a bit that, you know, if this administration is not sort of proactively focused on trying to understand and put stuff out there that we just won't hear, you know, about this cooperation whether it's co-production or tech transfer or military modernization.

And so we should not, I think, be lulled into a false sense of security that if we don't hear about it that then somehow this is stagnant or not happening. My expectation will be that this is, you know, continuing. It may be happening under the radar.

I certainly hope, you know, that Congress certainly in the classified

settings is probing on this and is pushing and is trying to find out, you know, what exactly is happening because I feel like we might be a little bit sort of blind at the moment in terms of the developments on this score.

Dr. Cha: Yeah. I had something different I was going to say but I'll just pick up on what Tom said.

I agree with that. I think that's really important. One thing that the Biden administration did was that they did downgrade information so they could be public in ways that would make clear to the public and also support the policy positions that the Biden administration was headed in.

I'll just give two quick examples here. One was when your administration released the information about the arms transaction that took place between North Korea and the Wagner Group in November of 2022 or 2023. Like, that was very important for us because we could then track through commercial satellite imagery what was happening on the border.

And the second was when the DNI gave Syd the permission when he was in the government to present a declassified version of the national intelligence estimate on North Korea, like, that sort of played out different scenarios of a nuclear North Korea, these things are extremely important for the research and public policy community.

Ms. Levin: Great.

Well, with that, we will wrap up today's exceptional conference. Perhaps just a quick round of applause for our panelists. (Applause.) Thanks again.

(END.)