KOREA CHAIR

JoongAng Ilbo-CSIS Forum 2014 Opening Remarks By HONG, Seok-Hyun Chairman, JoongAng Ilbo, JTBC

CENTER FOR STRATEGIC & INTERNATIONAL STUDIES

Dr. HONG, Seok-Hyun is the Chairman and CEO of JoongAng Ilbo, JTBC. He became the CEO and publisher of JoongAng Ilbo in 1994. During his career, Dr. Hong has been active in public service. He served as President of the World Association of Newspapers for two terms (2002-2006), as the President of the Korea Association of Newspapers (2003-2005), as the ROK Ambassador to the United States (2005) and as the first Chairman of the English-Speaking Union Korea (2004). Previously, he served as senior vice president of the Samsung Corning Company (1986-94). He first joined the ROK government in 1983, where he was chief assistant to the Minister of Finance and then the chief assistant to the chief of staff of the President. Early in his career he was an economist at the World Bank (1977-83) working on the economies of Turkey and Malaysia. Currently Dr. Hong is a Deputy Chairman of Asia Pacific Group of the Trilateral Commission, Member of the Board of Trustees for the Center for Strategic and International Studies (CSIS), Chairman of the Korea Baduk (Go) Association, and President of the organizing committee of the World Culture Open (WCO). Dr. Hong holds a B.A. in electronic engineering from Seoul National University, and holds an M.A. in industrial engineering and a Ph.D. in economics from Stanford University.

Honorable former Prime Minister Lee Hong-koo; President and CEO of CSIS Mr. John J. Hamre; former White House Chief of Staff to U.S. President George W. Bush Mr. Joshua Bolten; and representatives from CSIS and Korea, thank you very much for attending the JoongAng Ilbo-CSIS Forum. A warm welcome to everyone in attendance, especially the students.

It is my great pleasure and honor to host the fourth JoongAng Ilbo-CSIS Forum. While examining the shifting political landscape in East Asia, JoongAng Ilbo-CSIS Forum has sought to alleviate the distrust, discord and confrontation in the region and to build a community of peace, prosperity and trust. It is all thanks to the insightful contributions of the panels from both CSIS and Korea.

Honored guests in attendance!

CSIS

In the past year, the security situation in East Asia and the atmosphere of Korean society, has changed drastically. Korean people are grieving for the victims of the tragic Sewol ferry accident. I would like to use this opportunity to express my gratitude to President Barack Obama and the American citizens for their sincere assistance and consolation. A friend in need is a friend indeed. The Sewol ferry tragedy is a disaster that stemmed from the aggregated failures of the Korean system. However, it will surely be a pivotal point to build a safer and more transparent society. In

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the aftermath of the disaster, the inter-Korean relationship and foreign policy have given way to the administrative priority of disaster management.

There has been a great deal of change in North Korea. Three years into Kim Jong-un's regime, the elite leading group has largely been reshuffled. Former vice chairman of the National Defense Commission, Jang Song-thaek, who is also Kim's uncle and a key figure for Kim's third-generation succession, was executed. Also, the director of the General Political Bureau of the People's Army, which is a key post in the North's Military First policy, has been replaced amid frequent reshuffles in party, military and government.. It is not easy to determine how stable the North Korean regime is. We are concerned that Kim Jong-un has introduced the parallel pursuit of nuclear armament and economic development.

Uncertainty in the inter-Korean relationship remains. While the North-South family reunions resumed earlier this year, North Korea is elevating tensions in protest of the Korea-U.S. joint military exercises. In addition to a missile and rocket launch in the East and West seas, Pyongyang has suggested the possibility of a fourth nuclear test that will have a whole new form.

As next year will mark the 70th anniversary of the Korean Peninsula's division, the structure of confrontation between the nations has not been resolved. Regrettably, the international regime preventing the advancement of North Korea's nuclear capacity has stopped functioning. Since the sinking of the Cheonan naval vessel in 2010, economic cooperation with North Korea has been discontinued altogether. That makes North Korea absolutely dependent on China. China's constructive efforts for denuclearization of North Korea are therefore more important than ever. Concerned countries need to work together to encourage North Korea to become a responsible member of the international community.

The state of affairs in East Asia is complicated. China is accelerating its advancement to the oceans. In the name of "active pacifism," Japan is expanding its role in security, and the confrontational schism between China and Japan has become more evident. China has established the ADIZ, or air-defense identification zone, in the East China Sea and is modernizing the People's Liberation Army. Japan is promoting its right to collective defense by reinterpreting its peace Constitution. Collective self-defense, which allows Japan's Self-Defense Forces to engage in combat operations outside of Japan, has two faces. It will upgrade the U.S.-Japan alliance further, but, for obvious reasons, Korea, China and other countries that suffered under the past aggressions of imperial Japan are seriously worried.

In Northeast Asia, foreign policy and security matters are closely interlinked to history issues. As Japanese Prime Minister Shinzo Abe advocates historical revisionism, friction over history is rising between China and Japan, and between Korea and Japan. New administrations have been established in Korea, Japan and China, but Korean and Chinese leaders are yet to hold a summit with their Japanese counterpart. This symbolizes the uncertainty felt in Northeast Asia.

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We cannot rule out the possibility of the territorial disputes between Japan and China over the Senkaku/Diaoyu Islands developing into a physical collision. Trust between China and Japan is currently low. Korea and Japan are drifting away from one another. We need a breakthrough for the sake of the future, in time for the 50th anniversary of the normalization of diplomatic relations between the two nations.

The South China Sea is another area of concern. Chinese and Vietnamese vessels have clashed over China's oil drilling in disputed waters. Anti-Chinese protests in Vietnam are intensifying. And China is also involved in territorial disputes with the Philippines, Malaysia and Taiwan. Endeavors to resolve conflicts based on international laws and norms, and through dialogue instead of force, are desperately needed. Reflecting on the past, we need to move forward courageously to a future of reconciliation and cooperation.

As East Asia is caught up in a vicious cycle of distrust and confrontation, America's role as a balancer is more crucial than ever. In this sense, I believe the Obama administration's "pivot to Asia" policy has been put to the test.

The overall picture of the situation on the Korean Peninsula and in East Asia is grim. However, pessimism cannot give us a solution. I have a firm conviction that the East Asian paradox will be resolved and that the region can become a community of peace and prosperity.

Today, the modern sages of the United States and Korea have come together. I am sure your collective wisdom will guide the Korean Peninsula and East Asia out of its long tunnel of chaos in this troubled time.

Thank you.

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