Trade, Technology, and the US–Korea Alliance: A Conversation with Ambassador Kang

Sheena Chestnut Greitens: Welcome to Horns of A Dilemma, the podcast of the Texas National Security Review. I'm Sheena Chestnut Greitens, editor-in-chief of TNSR, and director of UT's Asia Policy Program. Today's podcast features a fireside chat with the Ambassador of South Korea to the United States, Ambassador Kang Kyung-wha. Ambassador Kang visited Austin, and visited UT on December 3rd for a conversation about the role of trade and technology in the US-Korea Alliance.

Here's our conversation. Ambassador, it's really a pleasure to welcome you to Austin and to UT. One of the reasons for your trip here today is that Korean companies in Korea have significant economic investments in Texas, and in the Austin area, in particular in the tech sector. What do you see today as the biggest areas for growth in the US-Korea economic relationship? And maybe what do you also see as the biggest risks?

Ambassador Kang Kyung-wha: Well, thank you very much Dr. Greitens for this wonderful opportunity. For hosting me, and my delegation here at UT Austin. Great. Always wonderful to be speaking and engaging with the future leaders. So it was very important for me, as we came on this caravan on public diplomacy to Texas, which is a state, I think the biggest state in terms of Korean investments, right? So that's very important. So, and I'll go to see the Samsung, you know, the semiconductor factory tomorrow, but to have this opportunity to engage with the young leaders of this great state and city was very important.

So thank you for that. Growth areas. You may know that we've had two very successful summit meetings. New governments on both sides. Two presidents met twice in a matter of two months, and came out with a very important, very substantial agreement on where they're going to take this relationship forward.

And it's very comprehensive, very deep, very chunky, the agreements. And I've seen many summit meetings in my very long career in diplomacy. Many summit encounters between the presidents of the two sides. But this agreement is really, really of its own. The comprehensiveness of the document, but also the concrete areas of agreement that the two presidents reached.

And you asked: where are the growth areas? It's very clear in that document, which has to do with Korea's commitment to invest $350 billion dollars in the United States, in key strategic areas. And this is not private enterprise investment, but Korean government led investments in this country.

And it spells out, it specifies that these will take place in seven key sectors and more. So those seven key sectors are ship building, energy, nuclear power generation, as well as our energy purchases from the United States. Semiconductors, pharmaceuticals, biotech, minerals and core minerals, rare earth minerals are a really important part of economic security these days, and AI and quantum computing.

So the leaders have agreed it's, this is their answer to the two countries, to the businesses, to the people of two countries, that this is where we are going to be working together. So that's as a clear an answer as you can get. Where are the risks? I think we have to make sure that the partnerships, the investments in these seven areas, is a success for both sides.

For both the manufacturing sectors here, and for the Korean businesses investing here, we have to make sure that they are a success for the communities where these investments are being made. And which is why people like myself come to talk to these communities, to talk to the business investors, but also to the communities that host these investors, so that there is community acceptance, community buy-in, community partnership in nurturing the workforces that is required by these investors. So these decisions bring their own risks, that have to be now managed very carefully. But in the larger scheme of things, of course, the biggest risk, if you will, is the geopolitical fluidity.

The US-China strategic competition is here to stay. And we will have to manage our peace and prosperity within that context. So that's, there will be an element of continuing uncertainty in the larger geopolitical scheme. But, you know, closer down home, the many issues that I mentioned, local buy-in, workforce training, you know, mutually beneficial results from these investments, I think would be the immediate risk factors.

But I think the, you know, in the US-Korea Alliance, is such a unique relationship, if I could put it that way. It's a seven decade old security alliance, forged right after the Korean War, when Korea was a war and torn country with nothing. And in the seven decades we've become, we've really become something.

And so, at the beginning of this alliance was America, the protector, the senior partner, Korea, the junior partner, needing that protection. But, you know, I think that because of the alliance, Korea has been able to grow economically and become a flourishing democracy. So that the history of that relationship and the close bond that has forged between the two countries is really, really unique.

And I think the two presidents have come to some agreements that are now taking this relationship to another level. We call it: Modernizing the Alliance. And if you're interested in the bilateral relations, you should all take a very close look at that document, which is called the Joint Fact Sheet.

Sheena Chestnut Greitens: Thank you. Yes, I would commend that fact sheet to anyone who's interested in more detail on some of these areas of cooperation. I have many questions that came from what you just said, but let me try to break them into a few pieces. As you mentioned, President Lee and President Trump have met twice.

In August, and I believe in October, or early in November, once in Washington and once in Korea. And I wanted to ask this, because I think this may be on the minds of many of our students in particular who follow the news. In between those two meetings, there was an event, where immigration authorities detained about 300 Korean workers at a Korean facility in Georgia.

And so I wanted to ask you about what you would–I understand there's been a working group formed to address the procedures for Korean investment in the United States–what would you like to see emerge as solutions from that working group? And what can we learn from that incident to create better local relationships around the Korean investments that the two leaders have agreed on?

Ambassador Kang: Yes. I think it was a shock for us having just finished a very successful summit meeting in Washington, DC, and to have this come three, four days afterward was really a shock, and a traumatic experience for the workers who were detained. But I think, from the very beginning, a very strong will on the part of the US government, from President Trump, from the Secretary of Homeland Security, all the way down, to make sure that we deal with this situation properly. We make sure that the detained workers are released and returned to Korea without prejudice, to their ability to reenter, and also to have a discussion going between the two sides to see what further steps need to be taken. So we have that working group, that working group has met twice and came up with concrete steps like:

What can you do when you come with a B1 Visa, which some of them were, some of them came on ESTA. So what are you able to do when you come with these kinds of legal immigration status? And so we've been working to spell out the B1 visa. What can you do? What can you do when you come to install a piece of equipment that comes from Korea, to install, to service, and to repair?

We want to spell that out further, so that there's no questions left in the minds of our workers coming in, so that it's a continuing work. But at least the initial agreement of what that allows is now posted on the US Embassy website in Korea. We have a desk at the US Embassy in Korea, specifically designed to facilitate visa interviews for investors and workers coming to the United States. And that's up and running. We have communication lines established between our consulate generals and the local immigration and border control authorities, so that we know when there's a large group of Korean workers coming in. We have a list, we share it with them, and so they have a clear idea who's coming in with what kinds of visa status. And upon entry, if there is any issues, then we're clean communication to resolve. So these kinds of mechanisms are already up and running. In fact, we're coming from Savannah, which is where we were yesterday, and I was happy to see the head of the LG plant. That was the main, the site of that raid.

The old head, who was there when this happened has now been replaced by a new head, and there are workers coming back. Some of the 300 that were returned at the time are now starting to come back, and the factory is working again. So there, this is the short term solution, we are doing as much as we can.

There is a longer term, more sustainable solution, which is a legislation that's been pending in Congress for over a decade, and that is called the Partnering with Korea Act. Basically designed to create a special category, professional visas, not create, but quota, creates a 15,000 quota of E4 visas for Korean workers.

And we're pushing this in Congress at every opportunity. But we know legislative initiatives take quite a while to pass.

Sheena Chestnut Greitens: Thank you. Given how important the two leaders have agreed that these investments are, it seems wise to have these working level mechanisms.

Ambassador Kang: Of course, if you're having, you know, Korean investors and the investments, are not just the money coming in. It's the professionals, it's the skilled workforce, it's the machinery, all of that coming in. And that has to

come with the people. And so I think it was terrible, it should never happen again.

But there's lessons learned. And, you know, I think the two sides are very clear that we will work together to never let this happen again. Of course, the United States is a huge country. And there are so many ports, and local authorities don't necessarily understand the full extent of the discussions that are happening between the two governments.

So, which is why it was very important for us to establish that communication with the local authority at, at the entry, at the airports.

Sheena Chestnut Greitens: That makes sense. I wanted to ask you about the shifting geopolitical context that you mentioned. After his first meeting with President Trump in Washington, President Lee gave a speech at CSIS where he said, and I'm paraphrasing a little bit here, that the old logic of turning to the US for security, and China for economic prosperity is by and large over. Or is passe. And I wanted to ask you about why he felt the need to say that so plainly? And what you see as the most practical implications of that policy shift for the US Korea relationship?

Ambassador Kang: I think, any four letter anything, well, I mean in the good sense, it is too much of a simplification. But I think his intention was to underscore how important, not just the security relationship is, but with the economic and trade relationship with the United States is. Yes, China is our number one trading partner. Still, America is now number two. And of course, if you're talking about these huge strategic investments, this is economic.

And I think that the growth of the alliance, beginning with trade, economic security, now these advanced tech areas, is an indication that our economic prosperity is intricately tied to what we do with the United States. So I think it was his intention, and I've never asked him directly, and I don't think he spelled it out after that. But, it's to underscore how America's not just our security ally, but a vital economic partner, trade partner, investment partner.

Sheena Chestnut Greitens: Thank you. One area where Seoul and Washington's collaboration has ebbed and flowed, but it's something that you have been intimately involved with, over the course of your career, is on policies toward North Korea.

And so I wanted to ask you a little bit about that. You mentioned last month that this was an area where you wanted to work with the United States, in some

remarks, I think you gave to the Korean Press. And you repeated the "pacemaker peacemaker framework," that President Lee has invoked in his conversations with President Trump.

But it seems to me that all three countries involved in this relationship– Washington, Seoul, and North Korea–have maybe had some shifts in their approach in the last 10 years or so. So, Pyongyang seems to have shifted, since the first Trump administration, toward more of a, almost a two Koreas policy.

Washington has decreased its support for North Korean human rights in particular areas, from the State Department or the Voice of America, Radio Free Asia funding. And my understanding is that the funding provided by the Ministry of Unification in the budget, most recent budget shifts from an emphasis on human rights, toward more inter-Korean cooperation.

So, I wondered if you could talk a little bit about how you view the shifts in inter-Korean policy under this government, under the approach that Pyongyang is taking. And where you see, therefore where should South Korea and the United States be concentrating their collaboration and their coordination?

Ambassador Kang: Well, first of all, I think that the US, and DC, and Seoul have always closely collaborated on North Korea. And I think you can argue the difference in degree, but I think when it comes to North Korea, we've made sure that the United States knows what's going on with inter-Korean, and the US ensures us what's going on.

But at the end, not much is going on, almost nothing is going on at this point, because the biggest change from then and now, is North Korea's close relationship with Russia. Right. The war in Ukraine has brought an opportunity for North Korea to break out of its dependence on China.

And through this close military relationship, has found a new support. Political, military, but also, the big question is what technological support is it getting from Russia? So I see that as the biggest change from then and now. And with that newfound relationship, North Korea is not feeling the need to come out to the dialogue table, unlike, when it was in 2018.

So yes, you know, that's why North Korea feels that it can basically dismiss anything on the inter-Korean track. But it shows every sign that it is still interested in dialogue with the United States. We will continue to send the message that we want dialogue, we want to reduce tension, we want to manage things peacefully, and that will be our message. And this is perhaps unlike the

previous government of South Korea, which took a very hard line stance to North Korea.

But I think we ultimately, you want to keep the peace, you want to strengthen the peace, you want to keep things cool along the DMZ, so that you don't prevent accidents from flaring up into some major clash. And then I think that's the minimum thing that you want to do vis-à-vis North Korea. And we will continue to do that. Plus, we will continue to send them the message of wanting dialogue.

But North Korea, as you say, has shown every indication that it doesn't. It does indicate that willingness to reengage with the United States. And so, which is why I think it's a very wise policy for us to say: America is the peacemaker, Korea will be the pacemaker.

And so this is how I read the President's desire to promote inter-Korean policies and close consultation with the United States.

Sheena Chestnut Greitens: Let me ask you about this idea of keeping the peace, which was the original purpose, and the abiding purpose of the US-Korea Alliance.

When I first began going to Korea, which was in the early and mid 2000s, the alliance confronted a series of challenges from realignment of US forces on the Korean peninsula, to the question of strategic flexibility for US forces in regional and global contingencies, particularly then Iraq and Afghanistan operations. To the question of OPCON transfers, which for those in the audience who may not be aware, involves returning wartime operational control over its own military forces to the Republic of Korea, which in turn gives the ROK military a greater role in day-to-day conventional deterrence on the peninsula as well.

So the recent Joint Fact Sheet, which you mentioned a few minutes ago, and the SCM communique, show that these remain really salient issues in the US-Korea Alliance today. And so I wanted to ask you where you see the greatest need, and the greatest opportunity, to modernize the US-Korea Alliance, which I think is the phrase you used a moment ago.

So where do you see that heading, and what are your priorities, as Ambassador, in that part of the relationship?

Ambassador Kang: The issues that the Alliance has had to work through over the seven decades have also evolved, largely reflecting Korea's growth, Korea's growing capacity in this alliance. And so, that's one factor.

And of course, Korea and the United States are geopolitically sitting in very different situations. America, the superpower managing the globe. South Korea is sitting in a very geopolitically challenged region, with North Korea right up there. And so, I always say, geographically, I mean, regardless how well interconnected the world is, geography is faith, right?

And you're in a situation where the issues that you need to deal with are very different. So, of course, even as the closest ally, you are going to have differences over issues. And so, that's the big contest. But within that contest, Korea has become very capable, over those seven decades.

And so the Alliance has reflected Korea's own growth over the decades, which is why we are saying we are now capable of taking back operational control. You have to understand, the Korea Alliance is truly a combined defense posture. The command of the two forces are really combined, and the top guy, at the top of this combined command structure, is currently the American General with the deputy, a Korean General.

And it's been that way since the Korean War when we had given that to the American forces. Along the way, we took back the OPCON for peace time control. It still remains in the American hands, American leadership for wartime operational control. And over many governments in Korea, we've been in discussion with the Americans to say: it's now time for Korea to take back that control.

And it is, you know, it's now controlled conditions based operational control transfer, meaning that we have to, the Korean forces have to show, and be verified of our ability to take that control. So, conditions based operational control is what the two sides are working on. There are some landmarks, your boxes to tick along the way, to make sure that those conditions are met, but my President is very keen to make that happen within his term.

So operational control, condition based operational control, within his term. And I think there's a, you know, strong will on [the] political side, both sides to work towards that end. So, that is an ongoing issue I see, more of as a joint challenge, to work towards the operational control.

There are other elements to the Joint Fact Sheet that will, again, require a lot of close collaboration and that is our ability to build and operate nuclear powered submarines. Nuclear powered, not nuclear armed. So nuclear powered, conventionally armed attack submarines. We're very good at already building diesel powered submarines, but, given North Korea's increasing missiles and nuclear threat, and given its professed desire to build its own nuclear powered submarines–in their case there would be nuclear weapons armed as well. So we very much feel we need the capacity to be operating nuclear powered submarines, which lasts much longer and much faster, and giving us a much better ability to track what's going on in the seas around us.

So that is another chunky issue that we will be working closely together. Another is our ability to enrich and reprocess nuclear fuel, for our commercial nuclear power plants. We have 26 of them. Currently we buy all the low enriched fuel that go into these reactors from overseas, because we don't have the ability to enrich the fuels in the country.

So we buy them from where, you know, a lot from Russia, from America, from other countries. But for our own security, for the stable supply of the fuels going into these nuclear reactors, we would need to be able to produce them ourselves. Furthermore, what comes out of the reactors is a lot of spent fuel.

Currently, we just pull them, and put them in the pools, the cooling pools, and they've been kept there, and they were running out of space–pool space. So we really need to reprocess them, and by reprocessing, you really shrink the volume from something like this. So it's a real commercial need that we have for the ability to have the full enrichment and reprocessing cycle.

So again. It's how the alliance grows, with Korea's growing capacity, is the way I would frame the Modernization Mandate. But of course, the bottom line has to be, the combined defense posture of the alliance has to be kept strong, robust. And continue to be strengthened in the coming years and decades.

Sheena Chestnut Greitens: Well, thank you. I know we're running up on time, so I wanted to ask one final question to give you the last word in the conversation. I'm struck by the thread that has gone through your remarks of the story of Korea's emergence into regional and global leadership, over the course of the past several decades.

And I'm aware that, you know, we're having this conversation, for those of you who follow events in Korea, on the one year anniversary of Korea's defense of its own democratic system, on December 3rd of last year. And so Korea's

become a leader in global democracy, in technology. It chaired APEC this year, which was the reason why President Trump came to Korea.

And so there have been a lot of changes. And so I wanted to ask you, given all of these changes in the geopolitical landscape, in administrations, in both Seoul and Washington, how, and the amount of technological change that the Alliance has had to integrate and to account for–how do you see the best way to really create a firm foundation, and ensure that these modernization initiatives, and the tech and investment commitments that the two leaders have agreed to, can withstand all of these different changing currents? And maybe if I can ask a sort of self-interested question for the university, and student audience here today–What is the best way for students in universities to play a constructive role in that process?

Ambassador Kang: Yes. I think I'm hugely proud of the way we've managed to pull APEC into a very successful conclusion, when the new government took office in early June. That seems already a long time.

I have to say, we were not sure that we were able to pull this off, with just four months to go. But we managed. We did it, with the logistics went perfectly, all the facilities were ready, and the conversations. What we wanted to make sure, was that APEC came off as a successful forum for multilateral collaboration, when multilateralism is challenged everywhere.

We wanted to reshore up APEC as a successful form of multilateral collaboration. And we did, because we were able to have the leaders give us their consensus on three key documents. One is the Gyeongju Declaration, that summarizes the year-long discussion. The AI agreement, and also an agreement on changing demographics in the region–low fertility rates basically.

So, but, and it wasn't easy to get all the 21 economies agreed, but it was important to us. Because if we didn't have consensus, that would undermine the multilateral spirit of APEC. But because we were, we feel very, very good in having shored up APECs profile. We will have another chance to do so in 2028, I think 2028, when we will host the G20.

So that, I think, will be another opportunity to underscore Korea's profile, Korea's leadership, and Korea's commitment to inclusive growth, and multilateralism. But on the US-Korea side of things, I think the history, and the foundation, is just so strong. Yes–none of these agreements were easy.

It's, you know, because we're all diplomats, we're both siding for the best interest of our country, and even between the US and Korea. The negotiation is really, really tough. But because of the agreements that we were able to reach, it gives us a lot of work.

So the challenge now is to make sure that the agreements lead to concrete steps forward. These are all long-term issues, not, you know, we'll say–well done–to next year or even after, three years or four years. But it's a commitment of both countries. And I say, the agreement has huge support from the Korean public, on both sides of the political spectrum, even as opinions are very divided.

I think that that outcome was broadly supported by the Korean people, indicating how Koreans are supportive, and are committed to this in the long-term. And of course, we now have the K-Pop soft power that fuels goodwill on the part of both countries, and I think the younger generation–you drive the K content, and I think you like it, you drive it, because I think you see part of yourself in it, right?

BTS. My favorite group, I know all seven names, but BTS is RM, came to the APEC CEO summit. Yeah, Jason Huang, you know, Google, these top names in the business world, and top names in the Korean business world. And he was invited as a special guest, and he was asked–well, how do you explain the popularity of K-Pop?

And he had the best answer that I can think of. He said, it's because it is fundamentally Korean, but it embraces all genres of music. Rock, pop, you know, jazz, rap. And so if you listen to it, there's something in it for everybody. But also something intriguing, because it's also very uniquely Korean.

So the openness, the coming together of the diversity, is the appeal of K-Pop. And you bring that diversity. And so your voice, your views on these policy issues, I think will help us move in that direction.

Sheena Chestnut Greitens: For anyone who has not seen it, there's a version of the song *Permission to Dance that* was filmed at the United Nations.

So if you would like to see a K-Pop, global politics, multilateralism, mashup, you can find that on YouTube, I'm sure. Ambassador, you've been very generous with your time, and I know you have another engagement. Thank you. Please join me in thanking the Ambassador.

Ambassador Kang: Thank you. Thank you!

Sheena Chestnut Greitens: Today's episode was produced by TNSR, digital and Technical Manager Jordan Morning ,and made possible by the University of Texas system.

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This is Sheena Chestnut Greitens. Thanks for listening.