

Firm Partners In An Unstable Region

Prospects for Trilateral Cooperation between
the Republic of Korea,
the United States,
and Australia



Australian Government



Australia-Korea FOUNDATION



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This report has received grant funding from the Australia-Korea Foundation
of the Department of Foreign Affairs and Trade.

ISBN 979-11-966197-4-9

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Foreword

The 2020s are so far revealing themselves to be an extremely challenging period in foreign affairs and inter-state relations. The COVID-19 pandemic forced a major, although temporary, overhaul of the conduct of international relations as engagement went online and Indo-Pacific tensions and negative trends have accelerated. The United States has faced domestic turbulence and greater pressure at home to withdraw from foreign conflicts, as it did from Afghanistan. Most recently, Russia invaded Ukraine, upending European security and stability with ripple effects for decades. Throughout this time, China has continued to assert dominance over the Indo-Pacific, including through territorial contests and coercive trade practices.

The global and regional environment is an increasingly unstable one. In this context, countries with shared aspirations for stability and support for liberal, democratic systems as the foundational underpinning to that stability must work collectively. Moreover, in the Indo-Pacific specifically, while US supremacy and the US alliance system have contributed to a safe and prosperous region for decades, more security networks are necessary to effectively address the challenges of the modern era. It was with this appreciation that the Asia Foundation and Perth USAsia Centre approached our 2021 ROK-Australia-US Trilateral Dialogue.

Trilateral ROK-Australia-US cooperation is long overdue and so-far untapped. The reasons for this are complex but, with their converging interests and the proven success of other

regional minilateral frameworks such as the Quad, formalising ROK-Australia-US cooperation should be the imperative of all three governments. The three countries are being drawn progressively closer by shared security challenges; supply chain, energy security and COVID recovery needs; and the significant benefits of enhanced economic coordination. The ROK-Australia-US Trilateral Dialogue addressed these issues in greater detail, facilitating an exchange of national positions and increasing mutual understanding.

The Asia Foundation-Perth USAsia Centre ROK-Australia-US Trilateral Dialogue brought together some of the most senior current and former government officials from all three nations. Participants included ROK National Assembly Member, Park Jin, former US Ambassador to Seoul, Kathleen Stephens, and former Australian Ambassador to Seoul, James Choi. Importantly, the dialogue also included industry, academia, and think tank representatives, creating an interdisciplinary approach and generating recommendations that blended theory and practice. In future, we intend to evolve this Dialogue to a Track 1.5, incorporating additional serving government officials. Through semi-formal, workshop-style mechanisms such as ours, civil society can help lay the groundwork for trilateral dialogue and cooperation at the official level.

We wish to thank all of the dialogue participants for approaching the discussion in an open and generous spirit, with real passion and enthusiasm for bolstering ROK-Australia-US relations. We also wish to acknowledge and congratulate Ms Erin McCullagh for capturing the exchange and generating the following report.

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Introduction

The deteriorating security situation in the Indo-Pacific, exemplified by the rivalry between the United States and China, has resulted in both a complex threat environment—with a wide range of nontraditional threats and a growing “grey zone” that complicates traditional peacetime/wartime concepts—and the rapid emergence of new opportunities for the Republic of Korea (ROK), the United States, and Australia to cooperate on mutual prosperity and regional stability.

Domestic challenges in all three countries, including their respective decision-making processes, the power of public opinion, and the role of the media, do create points of friction that will require governments—particularly in the ROK and the United States—to clearly delineate where their foreign policy interests lie.

But despite these challenges, opportunities for trilateral cooperation are abundant and proliferating. Strengthening trilateral cooperation will be instrumental to address growing uncertainty in the security and military domains. Other areas ripe for collaboration range from economics and trade to technology and critical minerals.

Regular meetings, including those involving senior government officials and business leaders, will further support this trilateral grouping and encourage movement towards cooperation in new areas, and the reopening of international borders should facilitate future in-person meetings and a return to face-to-face engagement.

A challenging international environment

The past few years have demonstrated to the ROK, the United States, and Australia that foreign policy choices in the Indo-Pacific region are more like a fixed menu than a buffet. The rise in tensions around Taiwan and the South China Sea has forced many regional powers—including the ROK and Australia—to weigh the importance of security policies against the potential consequences in the economic and trade domains. Where previously these domains could be treated as separate, the impact of the Covid-19 pandemic on supply chains, and China's increasing use of economic coercion to respond to foreign policy choices, have entwined national security with economic prosperity. This economic coercion has affected both the ROK—notably in the 2016 THAAD episode—and more recently Australia.

The reality that China can hold a nation's economy for ransom has pulled the US focus back to the Indo-Pacific. Long distracted by the War on Terror, the United States is now expanding its presence in the region through freedom of navigation operations, participation in military exercises, and membership in trilateral and quadrilateral groupings. Both the ROK and Australia continue to worry, however, that US resources are stretched too thin to fully engage in a great-power rivalry that is reaching into new facets of diplomacy, economics, and trade.

Indeed, experts are concerned that, on the economic and trade relations side, the region will be torn between two opposing economic blocs, centered on China and the United States. This will force regional players to decouple from those outside their bloc and re-form trade,

supply chain, technology, and information-sharing linkages within their bloc. Given today's complex interdependence, this decoupling would be no easy task and would require careful attention to export controls and the trade practices of multinational companies. Complete disentanglement would likely be impossible.

The gravitational pull towards a two-bloc system is strengthened by the effect on supply chains of both Covid-19 and Chinese economic coercion. Where choosing supply chains was previously a question of cost and value, the focus has now shifted to resiliency to lower the risk of shortages, sudden blockages, and boycotts. The complexity of decoupling supply chains extends not only to governments, but also to private enterprise and multinational companies, which should be encouraged to form resilient supply chains with like-minded regional partners.

Key factors in whether we will see the formation of these economic blocs are the two far-reaching free-trade agreements, the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). Among the United States, the ROK, and Australia, only Australia is a full member of both RCEP and CPTPP, while the ROK has [recently ratified RCEP](#) and applied to join the CPTPP, and the United States is party to neither. The US withdrawal from what was then the Trans-Pacific Partnership in January 2017 was widely regarded as a mistake. Meanwhile, China's application to join the CPTPP, if approved, will see a shift in the balance of power away from the WTO and a gradual move toward less ambitious trade policies that are more suited to the Chinese economy.

The rise of regional groupings

The escalation of tensions in the Indo-Pacific has also seen the emergence of a patchwork of “mini-lateral” groupings, of which the ROK-US-Australia trilateral is one.

Much of this rise in smaller groupings can be attributed to stalemates and reduced productivity in multilateral institutions caused by great-power rivalry. Stalled negotiations, the challenging of norms, vetoes, blocking maneuvers, and the reduction of financial

contributions by both the United States and China [have had a significant impact](#) on the workings of the WTO, the WHO, and the United Nations.

While trilaterals are nothing new, recent years have seen all three countries involved in a variety of groupings—from the Australia-US-Japan trilateral, the newly-minted AUKUS alliance, and the ROK-US-Japan trilateral to the resurgence of the Quad (and more recently the “Quad-Plus,” involving the ROK). Many of these new groupings are issues-based—coalescing around a specific security issue—with the benefit of requiring only short-term, nonbinding cooperation while giving clarity of purpose and agenda.

Increasingly strong bilateral ties

Meanwhile, bilateral ties between the ROK, the United States, and Australia are also growing stronger with the recognition that cooperation with like-minded regional democracies is more crucial than ever.

The relationship between the ROK and the United States is continuing on a strong trajectory, with the two nations’ leaders meeting in May 2021 and [reaffirming their commitments](#) to countering the North Korean threat and working together towards nuclear nonproliferation. The year 2022 also marks 10 years since the ratification of the KORUS Free Trade Agreement, which has provided a strong foundation for the security alliance.

President Moon’s recent visit to Australia saw a major upgrade in relations between the ROK and Australia to a “comprehensive strategic partnership.” This is a landmark change from historically ambivalent relations, in which both countries saw little reason to increase cooperation due to ROK’s prioritization of peninsula affairs and Australia’s minimal influence in the region. However, Australia’s inclusion in key regional groupings—namely the Quad and AUKUS—has brought it into the spotlight as an important player, while targeted economic coercion from China has compelled Australia to diversify its trade relations and look towards its fourth-largest trading partner, the ROK. Recent [memoranda of understanding](#) on defense industries, digital cooperation, emissions reduction, critical-mineral supply chains, space, and sociocultural cooperation have laid the foundations for stronger bilateral relations in the

coming decades.

Australia-US cooperation, historically strong, has been reinforced by the recent AUKUS agreement, focusing on technological development, the pooling of industrial capability, and the rapid development of military capability. The United States and Australia have also joined hands with other regional players in recent years—for example, with ongoing partnerships as part of the US-Japan-Australia trilateral, the Quad, and APEC.

With the United States, the ROK, and Australia facing similar flashpoints in the region, there is more impetus than ever before for these regional democracies to collaborate. The rapidly changing environment is opening doors for cooperation and new policy options that see a need for further dialogue between like-minded countries.

ROK-US-Australia trilateral cooperation already has a robust foundation, with the ROK already expressing an interest in joining Quad activities, and participating in Exercise Talisman Sabre for the first time in August 2021. Trade relationships between the three countries are strong and growing stronger. Acting on shared interests and finding new areas for collaboration will also facilitate new linkages with democracies in the region, advancing the interests of all countries involved.

The international environment aside, internal factors will also play a key role in determining the success of the ROK-US-Australia trilateral. Although external pressures, particularly from China, can make new foreign policy initiatives easier to sell, the complexity of individual domestic contexts must not be underestimated.

The domestic element

A [2021 study by Pew Research](#) showed that, in the ROK and the United States, the proportion of the population who believe major political reform is needed is above 80 percent in both countries, while the proportion who believe major economic reform is needed is 72 percent in the ROK and 66 percent in the United States. While Australia's numbers are significantly lower, the proportion who believe political change is necessary still stands at almost 50 percent.

In the face of this widespread appetite for change, governments must consider the domestic implications of foreign policy, adding to the complexity of choosing from the “fixed menu” of available options.

The view from the United States

The advent of great-power competition with China has seen US foreign policy again centered on the need to best its rival. While the United States continues to address areas such as energy security, climate change, and pandemic response, these are situated within a broader framework that responds to this competition.

Experts have expressed hesitancy over President Biden's framing of this struggle as an ideological competition rather than one of respective interests. Anti-China rhetoric in the media continues to focus on human rights violations, the one-party state system, and the

curbing of freedoms, and presents a black-and-white picture of US-China competition as a zero-sum game.

Yet, apart from a firm position on countering China's coercion and intimidation, the Biden administration has yet to outline a concrete Indo-Pacific strategy beyond promoting freedom, openness, and the rules-based order. Secretary of State Antony Blinken's December 2021 speech in Jakarta was criticized for providing nothing new and continuing to play into the binary narrative of "democratic" versus "authoritarian" when addressing China's influence.

Domestically, fear of China is reaching the highest level in recent years. This comes during a time of hyper-partisanship and instability in American politics, compelling administrations to shape foreign policy around public opinion or risk losing support and, with it, policymaking capability.

This is evidenced by the US withdrawal from the TPP, which has been widely criticized as a mistake, but which no administration could afford to reverse due to strong opposition from the general public and both sides of Congress. Trade liberalization policies have become radically unpopular since the isolationism of the Trump era, and the signing of new free trade agreements is another area where the government must be wary of losing votes.

While the shadow of the Trump era still looms large, President Biden is continuing to make efforts to distance himself from his predecessor's "America first" policies. Biden has spoken forcefully in favor of the AUKUS agreement with Australia and the UK, reiterating his position that forming alliances and empowering allies is crucial.

Biden has his work cut out for him to restore trust with allies in the region, and while significant efforts have put the United States on the right trajectory, our trilateral dialogue participants were wary of the possibility that US Republicans could retake control of the House in the November midterms, and of the unpredictability of the 2024 elections.

The view from The Republic of Korea

The ROK government has described the current threat landscape as omnidirectional, diversifying, and asymmetrical, encompassing risks from an increasingly opportunistic North Korea as well as from China, Russia, and Iran. These challenges means that the ROK government must make difficult decisions about which countries to ally with, and although the United States is a treaty ally, proximity to and economic interdependence with China, and China's track record of placating North Korea, are important incentives to avoid provoking China, a risk if the ROK is seen as siding too strongly with the United States.

North Korea is and will continue to be the primary driver of foreign policy in the ROK. South Koreans have developed a mindset of constant vigilance towards North Korea that will not be easily shaken, and that continues to be reinforced by frequent missile launches in the North.

While not the ROK's top priority, China's increasing influence in the region remains a cause for concern. The long-standing approach of maintaining economic partnership with China while cooperating with the United States on security is being challenged now more than ever, as economic and technological cooperation becomes increasingly integrated into the broader security landscape.

As partnership with the United States is a key pillar of ROK foreign policy, the government has watched US domestic challenges with some concern about what a more inward-looking United States could mean for agreements on mutual defense. Additionally, given its proximity to both China and North Korea, the ROK government feels some apprehension about the risk of retaliation to US actions in the region and feels that there should be better consultation regarding actions that could provoke backlash.

A case in point was the 2016 THAAD episode, which led to a Chinese economic campaign against the ROK with impacts on a broad range of South Korean industries. As a result, the ROK government has sought to reduce its economic dependence on China (which still accounts for [a quarter of the country's trade](#)). Change is evident in the movement of South

Korean companies to relocate their offices away from mainland China, and in the amount of activity on free trade agreements with other economies (such as Cambodia, the Philippines, Mexico, and Egypt).

One place where this balancing act plays out is in the ROK's efforts to maintain the distinction between its own New Southern Policy and the Free and Open Indo-Pacific Strategy (FOIPS). Despite pressure from the United States and other allies, the [ROK has been slow to adopt the language of FOIPS](#) because of the strong China-containment narrative associated with it. The New Southern Policy, by contrast, centers around engagement with ASEAN countries, and while the ROK has so far struck a note of compromise between the two, the endorsement of one of these strategies over the other [could topple this careful balancing act](#).

The ROK continues to hesitate over joining new groupings and participating in joint activities such as those of the Quad and AUKUS. While the need to balance allegiances will continue to drive policy, the ROK also feels that invitations to alliances, exercises, and joint activities would offer proof that the enhanced partnerships it shares with the United States and Australia are more than empty words.

Most notably, the ROK has announced its [intention to submit an application to join the CPTPP in April 2022](#), indicating an appetite to commit to the agreement's high standards and an interest in repairing its relationship with Japan, a move that has been applauded by both the United States and Australia.

Domestically, South Korean media frequently place ROK foreign policy, including the endorsement of the Quad and AUKUS, in the context of broader superpower competition. Although the public largely agrees with the current trajectory of alignment towards the United States, questions of whether this is in the ROK's interests and whether it strays from President Moon Jae-In's desire to "keep balance" will continue to be asked.

ROK policies towards North Korea and China could further constrain or further enable the alliance with the United States, depending on the outcome of the next elections on March 9. Candidate Lee Jae-myung of the ruling Democratic Party is [purportedly risk-averse](#) towards

China, while Yoon Seok-yeol of the People Power Party (currently in opposition) will likely upgrade consultation mechanisms with the United States.

Although the ROK faces complex strategic challenges, acknowledging these differences in priorities while seeking areas of mutually beneficial cooperation can help to draw the ROK into a strong net of regional alliances.

The view from Australia

Australian foreign policy continues to be dominated by the threat of Chinese influence and economic coercion. The view of the Australian government is overwhelmingly that China under Xi Jinping cannot and will not change its course and will continue to pursue dominance in the region. Experts recognize rising timelines for China's dominance of the region, which have outpaced predictions in policy documents from Australia's foreign affairs and defense departments. Australian policymakers are closely watching China's rise, particularly its economic support and engagement with neighboring Pacific Island nations.

A hardline stance towards China on the part of Australian decision-makers partly reflects the inability to engage through normal diplomatic channels, with China refusing to return calls or attend bilateral meetings for over 18 months amid Chinese boycotts of beef, barley, wine, and lobster. Instead, China chose to use the media as a mouthpiece, as was made clear when [a list of twelve grievances](#) was handed to three news outlets.

While continuing its trajectory of close alignment with the United States, Australia is also carefully watching the actions of the Biden administration, particularly the rhetoric around "building back better" and the possibility of higher expectations for how reliant allies should be on the US for support in the region. Since this trilateral dialogue, the Biden administration has released its Indo-Pacific Strategy (but not Economic Framework). While the strategy outlines the Biden administration's goals, it does not articulate how these goals should be implemented. Finally, Australia has shown concern about the United States' slow pace of military modernization compared to China, adding to Australia's worries about rising regional tensions and defense readiness, as evidenced by the recent AUKUS deal on nuclear

submarines.

Rather than tie policy too strongly to the United States, the government's preference is to engage through mini-lateral agreements such as the AUKUS agreement, which are much more palatable to the general public. Overall, mini-laterals are a strong focus of Australian foreign policy: the country is a member of 20 small groupings in the Indo-Pacific region, half of which have emerged in the past decade.

Domestically, Australia is now shifting its focus to near-term military capability and has increased its attention to improving the Australian Defense Force's range and targeting capability. The government has begun to ramp up defense spending, which is likely to reach 3-4 percent of GDP, while foreign affairs and foreign aid spending remains at 1 percent. This reflects a broader trend, prompted by escalating geopolitical tensions, in which foreign, economic, and trade policy is focused more than ever on shoring up security relations.

Within the machinery of government, as well, much has changed about how foreign-policy decisions are made. Increasingly, they are being made by those in political office rather than by civil servants in the bureaucracy with foreign-policy training and experience. This can be explained in part by the slow pace and risk aversion of bureaucratic decision-making, but it also stems in part from the role of negative media reporting taking up the time of officials. Ultimately, in the view of political officeholders, foreign policy and security decisions are becoming too urgent to hand to the civil service.

With a close result likely in the Australian federal election in May 2022, it is too early to say whether the personalities that dominate Australian politics will be changing. Current prime minister Scott Morrison and Defense Minister Peter Dutton have particularly hardline stances on China and will continue to promote closer ties with the United States and the ROK. Although criticism has been aimed at opposition leader Anthony Albanese for a foreign policy perceived as softer on China, it is highly likely that Australia's foreign policy will continue on the same trajectory regardless of the election outcome.

As Australia's geostrategic challenges are likely to remain the same for some time, so too will the government's desire to work together with regional partners such as the United States

and the ROK.

Drawing it all together

Although the foreign policies of the ROK, the United States, and Australia reflect different domestic concerns, mutual interests and common flashpoints in the region make cooperation essential.

Discussion is critical to ensure that the three national perspectives remain aligned and opportunities for cooperation are acted upon. The ROK, the United States, and Australia already cooperate in a variety of groupings and forums, and extending this cooperation will help to foster collective leadership and responsibility in the region.

Prospects for trilateral cooperation

Key potential areas for cooperation between the ROK, the United States, and Australia center on enhancing collaboration in the security, defense, and diplomatic domains while forming new and deeper ties in the areas of trade, supply chains, critical minerals, and technology.

Any movement to step up cooperation in the security and military domains will greatly improve interoperability, trust, and good will. Such interoperability is important not only in the face of traditional security threats, but also in the provision of humanitarian aid and disaster relief in the region. The integration of foreign policy and security measures with trade and technology policy will involve concrete cooperation at the economic and technical levels that will in turn bolster support for democratic values and rules-based trade in the Indo-Pacific region.

As the region begins its recovery from the Covid-19 pandemic, like-minded democracies must be ready to offer support to the region's developing economies. Data from the recent [IMF World Economic Outlook](#) shows that, while the pandemic has had a significant effect on economies around the world, developing countries are not experiencing the same bounce-back as their developed counterparts.

The onus, then, lies on the region's developed economies to help guide developing countries not only in getting back on track, but also in reconstructing the global value chain should

it devolve into opposing blocs centered around the United States and China. In this bloc scenario, it is critical to ensure reliable supplies of energy, food, and technology, which will be a key challenge for developing economies. Should this scenario eventuate, The ROK, the United States, and Australia have important parts to play in ensuring that the entire region enjoys security and prosperity.

Security and military cooperation

The United States and Australia already conduct a variety of joint military exercises, many of which involve representatives from other militaries as participants or observers. On multiple occasions, the ROK has joined such exercises—including Exercise Talisman Sabre in 2021 and Exercise Pacific Vanguard in 2019—and it has been confirmed as a participant in Exercise Sea Dragon 2022 in Guam. Military exercises are instrumental in facilitating interoperability between forces and particularly in highlighting capability gaps and barriers caused by language, terminology, or institutional preferences.

A key concern for participants will be the diplomatic implications of military exercises, particularly those that are widely perceived as aimed at China such as Exercise Talisman Sabre. The participation of a wide range of countries might soften this effect, as would focusing exercises on the delivery of humanitarian aid and disaster relief, which would enable the United States, the ROK, and Australia to practice joint operations with military capabilities without the sensitivities of a military exercise. Such exercises would also provide valuable opportunities for collaboration with Pacific Island and ASEAN nations.

Economic, trade, and technological cooperation

Economic and trade cooperation between the United States, the ROK, and Australia will do more than bring prosperity to each country; by expanding to include others in the region, it will reinforce freedom and openness and the rules-based order in the region. The ROK-US-Australian trilateral should also consider how they can work together to build an international coalition to protect the global mechanisms that have served so well to unlock the economic dynamism of the region.

Multilateral forums and agreements play an instrumental role in facilitating cooperation and encouraging rules-based trade. The success of RCEP has already proven that large-scale agreements can encourage free and open trade even during this time of protectionism and economic fallout from the pandemic. Although not now politically feasible in the United States, the ROK and Australia will continue to urge the US to join the CPTPP, a move that would demonstrate the superpower's economic commitment to the region and rules-based trade.

Support in the face of economic coercion

The ROK and Australia have both been on the receiving end of Chinese economic coercion in the past decade, with the result that options for mutual support and deterrence are a high priority on the trilateral agenda.

When the Chinese imposed trade sanctions on Australian wine in March 2021, the United States stepped in to buy stocks, one of a host of countries who [showed their support](#) for Australia. Solidarity counter-payments or even a multilateral counter-coercion fund could certainly mitigate the impact of economic coercion, though this is likely to meet strong domestic opposition in the United States. Another option is to pursue deterrence over solidarity, imposing similar sanctions on the coercer to raise the economic and diplomatic cost. As this would work best only when implemented multilaterally, this kind of response should be considered and discussed, at the very least, in a trilateral context. Something similar can be found in the European Union's [Open Strategic Autonomy trade strategy](#), which has adopted an anti-coercion instrument to protect individual countries from coercive practices.

Multilateral forums such as the G7 and the OECD can also serve as platforms to discuss of issues of economic coercion. The consequence of raising these issues at forums such as these would be to situate these conflicts on the global stage and rally support on a scale not possible at the trilateral level.

Energy cooperation

Energy cooperation—including fossil-fuel trade, green hydrogen, and decarbonization initiatives—will continue to play an important role in the trilateral relationship, particularly as global momentum increases on decarbonization.

Iron ore, coal, and LNG are among the ROK's largest imports and Australia's largest exports. The past few years have also seen significant ROK investment in Australian assets—most notably, South Korean steelmaker POSCO's investment in the Roy Hill iron mine. With the world moving towards net-zero emissions targets, both the ROK and Australia will need to look for ways to decarbonize the iron ore industry. The use of green hydrogen for processing and transport is an option, one that will require significant large-scale renewable resources (wind and solar) as well as critical minerals, both of which Australia has in abundance. Cooperation between the ROK and Australia on decarbonization is not only timely, therefore, but highly complementary. This is further evidenced by the recent ROK-Australia [Memorandum of Understanding on Cooperation in Critical Mineral Supply Chains](#).

As the United States is also slated to be a world leader in the hydrogen industry, technological cooperation and the exchange of lessons learned will help to shore up decarbonization efforts in both countries and strengthen relationships in the trilateral group.

Critical-minerals cooperation

Critical minerals have also been touted as a promising area for future cooperation between the ROK, the United States, and Australia, and one that will form a key plank of the trilateral relationship. This is demonstrated by ROK president Moon Jae-In's request for a private audience with Australian business leaders during his recent visit, with the objective of learning how the ROK can best support critical-minerals cooperation.

Meanwhile, the United States and Australia already have a [memorandum of understanding](#) in place on research collaboration and capacity building. With the ROK a key importer and processor of critical minerals from both the United States and Australia, the coming years

could see the advent of [“friend-shoring,”](#) which would reshape technological supply chains requiring critical minerals around the trilateral grouping.

Technological cooperation

Reshaping critical-mineral supply chains is just one of the aspects of technological decoupling that will hinge on strong ties with other regional democracies. Technological cooperation is important not only to protect supply chains, but also to enforce export controls—an area of concern already noted by all three countries. Indeed, cooperation between the ROK, the United States, and Australia could address export controls and initiatives to prevent authoritarian governments from obtaining technologies that could lead to infringements of human rights.

The global shortage of semiconductors has also highlighted the need to protect and diversify supply chains, and it offers another area for trilateral cooperation. Quad leaders [recently agreed](#) to work together to secure a more resilient semiconductor supply chain, and the [ROK’s efforts](#) to ramp up investment in its own domestic semiconductor industry will provide a solid basis for trilateral cooperation.

Another area for cooperation is in critical technologies, including 5G, 6G, and O-RAN standards. With China openly leading the world in 5G technology, [Quad countries](#) are already seeking ways to diversify and standardize the telecommunications ecosystem, and telecommunications companies from the United States, the ROK, and Australia are [already collaborating](#) under the O-RAN alliance. The United States and Australia have also [announced their intention](#) to partner with Japan to build 5G networks in the South Pacific, an initiative that would also benefit from ROK participation.

Quantum technology is another area where competition between the United States and China is becoming particularly overt, with the two superpowers between them [possessing 70 percent](#) of all quantum patents registered since 2015. Diversifying research and development efforts and avoiding centralization of markets in these two countries will be key to avoiding coercion and supply chain strains, and will help to reinforce openness in the

region. A key opportunity exists for the ROK and Australia to work with the United States on building trilateral research and development capabilities. Australia has already signed a memorandum of understanding with the United States on quantum cooperation, yet the ROK must step carefully to avoid siding too obviously with one camp over the other, indicating that further discussion is needed between the three countries to find pathways to collaboration.

Space cooperation also holds great potential for trilateral cooperation. Within the last six months alone, [the US Space Force chief signaled greater cooperation](#) with the ROK, and a [memorandum of understanding](#) was signed between the ROK and Australia with the purpose of collaborating on space exploration, launch services, and satellite navigation.

All three countries have, in recent joint statements, made further commitments to work together on the above areas and also on artificial intelligence, biotechnology, and digital trade. They have also committed to meeting again bilaterally on these issues in the near future.

Increasing the scope for cooperation in the region

The ROK, the United States, and Australia already cooperate separately through a number of regional platforms, initiatives, and forums. The ROK, through the New Southern Policy, has increased its engagement with Southeast Asia, while Australia continues to work closely with Pacific nations. The United States and Australia also maintain a strong relationship with Japan and India through the Quad. These various forums, dialogues, and initiatives can be further enhanced by bringing other members of the ROK-US-Australia trilateral into the fold.

Cooperation with Southeast Asia

The ROK-US-Australia trilateral already has deep ties with ASEAN. All three are dialogue partners and have committed to collaboration on technological innovation, science and technology policy exchanges, and the role of women in STEM.

Greater partnership with ASEAN countries will help to bolster regional stability and avoid conflict. Many Southeast Asian countries are feeling the limits of decoupling, with comparatively less room to move away from China than the ROK, the United States, and Australia. The ROK-US-Australia trilateral could provide much-needed support by collaborating to move critical technology supply chains away from China and towards ASEAN countries. Joint patrol activities, humanitarian and disaster relief initiatives, and partnerships such as the Lower Mekong Initiative would also benefit from trilateral involvement.

Cooperation with Japan

Both the United States and Australia enjoy strong ties with Japan involving frequent dialogues, partnerships on a range of issues, and capacity building activities in the region. The historical conflict between Japan and the ROK has driven a wedge between these two major powers and reduced the potential for initiatives that could further enhance regional security.

Although the intricacies of the ROK-Japan conflict cannot be solved overnight, the United States and Australia can support cooperation by increasingly bringing the two countries together in the context of multilateral forums and initiatives. Many of the activities on the agenda for US-Japan-Australia trilateral cooperation are also on the agenda for ROK-US-Australia cooperation, such as hydrogen, lithium, and critical-minerals collaboration and initiatives with Southeast Asian countries.

Additionally, support from the ROK, Australia, and Japan could help to push the United States towards further trade liberalization. While US domestic challenges will be difficult to surmount, support from regional partners can help President Biden make the case that trade liberalization and even joining the CPTPP are important tools to counter Chinese aggression.

Supporting the Republic of Korea's position in the region

The United States and Australia both recognize the challenges stemming from the ROK's unique geostrategic position. Stronger linkages with the United States and Australia, increased military cooperation, and greater participation in activities in the region can create distance for the ROK to enhance its survivability in the face of threats from China and North Korea. Simultaneously, using the ROK as a hub for regional activities could help enhance deterrence and expose Seoul to multilateral military cooperation.

Recommendations

The Indo-Pacific region faces an uncertain future. It seems poised to fall into opposing economic blocs, and with tensions rising in the South China Sea and Taiwan, protecting freedom, openness, and the security of supply chains will only become more critical. Meanwhile, North Korea's resumption of nuclear tests in the new year, and the prospect of elections in the ROK and Australia in the first half of the year, mean that 2022 will also be characterized by domestic and challenges.

In the face of domestic and regional challenges, the trilateral partnership between the ROK, the United States, and Australia could be enhanced by the following short-to-medium-term steps:

- **Further embed the ROK-US-Australia Trilateral Dialogue.** Continuing track 2 discussions with a focused agenda and clear objectives for cooperation, elevating the dialogue to track 1.5, and seeking participation from influential politicians, policymakers, and business leaders will increase the legitimacy and likelihood of success of trilateral cooperation.
- **Increase interoperability through military and humanitarian and disaster relief exercises.** Inviting the ROK to participate in US-led exercises such as the Large-Scale Global Exercise and ANNUALEX, and Australian-led exercises such as Exercise Pitch Black, Talisman Sabre, Indo-Pacific Endeavour, and Cope North will help to bridge

capability gaps, break down language and terminology barriers, learn institutional preferences, and enhance plug-and-play interoperability (designing systems so that allies can connect easily to each other's military capabilities). Humanitarian and disaster relief (HADR) exercises with others in the region can also open channels for cooperation with ASEAN and Pacific Island nations.

- **Consider embedding cooperation with the ROK using the SABRE software.** The United States and Australia already partner through the Secret and Below Releasable Environment tool, software that allows for the sharing of information between the US Department of Defense and its partners during joint military exercises. The software enables militaries to work more quickly and flexibly and may prove useful in joint exercises or HADR activities.
- **Promote ROK-US-Australia linkages through a trilateral hub in Seoul.** Opening a physical hub in Seoul would demonstrate to the ROK the seriousness of the trilateral grouping and show that the interests of the United States and Australia are not entirely consumed by the Quad. A center promoting dialogue and holding cultural activities would help to pique Korean interest in furthering relations with the United States and Australia while facilitating conversation and interaction.

While the US Embassy runs a dedicated American Center in Seoul, Australia's presence is limited to the Australian Embassy. Given the success of the recent bilateral leaders' meeting between President Moon and Prime Minister Morrison, a physical hub that facilitates Australia-ROK cooperation would do much to promote further discussion. This would also level the playing field, given the ROK's already deep ties with the United States, and decrease the chances of the US taking on a disproportionate role in the trilateral.

Such a hub could take inspiration from the [Trilateral Cooperative Secretariat](#) (China-Korea-Japan) in Seoul or the [International House of Japan](#) in Tokyo, which runs seminars and fellowship programs, hosts international dialogues and conferences, and operates a library. Another example of trilateral dialogue incorporating physical hubs can also be seen in the EU-North America-Japan [Trilateral Commission](#), a nonpartisan

diplomatic initiative that operates European, North American, and Asia-Pacific hubs with annual dialogues rotating among them.

- **Encourage ROK involvement in “mini-lateral” initiatives involving Australia.**

While ROK participation in US-led groupings might not be as palatable given the risk of provoking China, Australia is engaged in over 20 mini-laterals across the region that could both foster deeper links between the ROK and Australia and facilitate engagement with a diverse range of regional players. Among the options might be to seek ROK involvement in dialogues with Japan, India, Indonesia, France, New Zealand, Vietnam, or Singapore. Activities could take the form of track 1.5 or track 2 dialogues or center on issues-based cooperation—for example, on supply chains, decarbonization, or the digital economy.

- **Pursue functional multilateralism, including with those outside the ROK-US-Australia trilateral.**

Functional multilateralism, as opposed to a grouping with no specific agenda, would allow for more task-oriented cooperation and facilitate the involvement of countries outside the trilateral grouping that may be relevant to specific issues. Given the broad scope for cooperation in the ROK-US-Australia trilateral, functional multilateralism may prove more productive and in turn open up new areas for cooperation.

Priority areas might include cyber security, space cooperation, artificial intelligence, energy security, clean energy, maritime domain awareness, and hydrogen fuel-cell technology.

- **Pursue joint infrastructure and capacity building opportunities.**

Many current initiatives for infrastructure and capacity building in the Indo-Pacific region would benefit from ROK participation, particularly in the Pacific. One example of where the ROK could fill a gap is in the provision of solar panels to Pacific Island nations to aid electrification efforts. Another is ROK involvement in the US Infrastructure Transaction and Assistance Network and other initiatives by Quad countries for regional aid and development.

- **Investigate options for further military exchange programs.** Although the United States and Australia receive steady numbers of ROK military personnel through exchange programs, few programs operate in the other direction. As this is primarily due to barriers involving the language of instruction in ROK military institutions, it can be circumvented by allowing exchange participants to join programs with English instruction at civilian institutions.
- **Consider opportunities for track 2 dialogues with Japan.** Opening up conversations between the ROK, the United States, and Australia to include Japan can encourage good will and cooperation between the ROK and Japan. Given the major alignment in interests and agendas for dialogue, conversation between these parties would both be productive and demonstrate further alignment between regional democracies.
- **Invite the ROK to join the Australia-United States joint action plan on critical minerals.** As two of the central themes of the action plan are shoring up supply and strengthening trade and investment, the ROK is a natural partner and can enhance activities through its contribution as a key importer and processor of critical minerals.
- **Convene a dialogue to discuss free trade agreements and trade liberalization.** Convening a dialogue that reflects on the successes of free trade agreements and capitalizes on the momentum from RCEP could help to open up a conversation with the United States on trade liberalization. Inviting others, such as the EU, Japan, and Singapore, could also pave the way for further FTAs and economic agreements. A track 2 dialogue on these topics could raise awareness and pique interest by uncovering areas of potential future cooperation.

Appendices

South Korea-United States-Australia Trilateral Dialogue (Virtual)

December 15 - 16, 2021 in the United States

December 16 - 17, 2021 in the Republic of Korea and Australia

ROK Participants

Park Jin, Member, National Assembly, Republic of Korea

Choi Seukhoon Paul, Principal Advisor & Managing Director, StratWays Group

Kang Seonjou, Professor, Department of Economy, Trade and Development Studies, Korea

National Diplomatic Academy – Institute of Foreign Affairs and National Security

Lee Heejin, Director of the Centre for Australian Studies (CAS), Yonsei University

Lee Il Houn, Professor, Seoul National University

Lee Jaehyon, Research Fellow and Director of the Center for ASEAN and Oceania Studies,
Asan Institute for Policy Studies

U.S. Participants

Kathleen Stephens, President and CEO, Korea Economic Institute of America (KEI)

Frank Jannuzzi, President and Chief Executive Officer, Mansfield Foundation

Marcus Noland, Executive Vice President and Director of Studies, Peterson Institute for International Economics

Scott Snyder, Senior Fellow for Korea Studies and Director of the Program on U.S.-Korea Policy, The Council on Foreign Relations

Tami Overby, Senior Director, McLarty Associates

Australia Participants

James Choi, Former Australian Ambassador to Republic of Korea

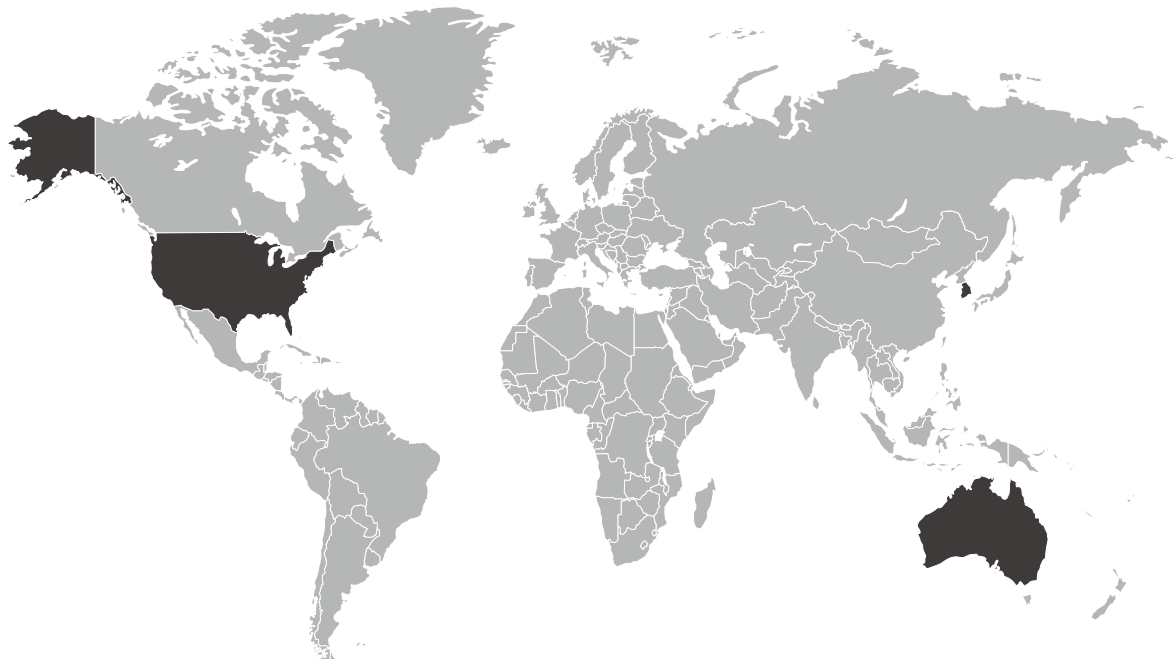
Clare Pope, Partner at PwC Australia

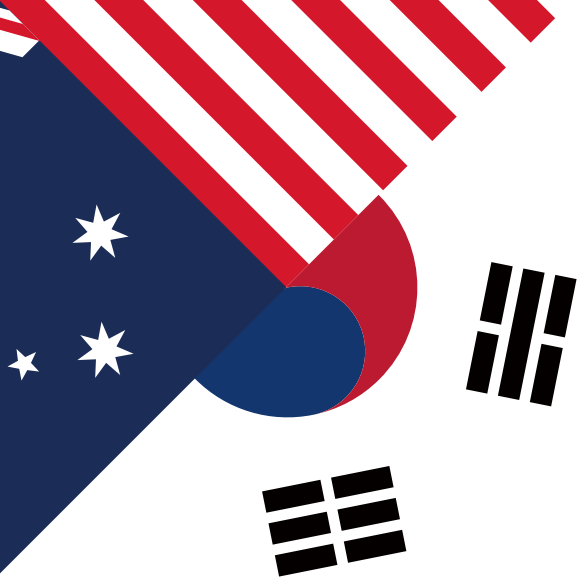
Gordon Flake, Chief Executive Officer of the Perth USAsia Centre

Hayley Channer, Senior Policy Fellow of the Perth USAsia Centre

Jeffrey Wilson, Research Director of the Perth USAsia Centre

Peter Jennings PSM, Executive director of the Australian Strategic Policy Institute (ASPI)





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