

## ISSUE BRIEF

The **Scowcroft Center for Strategy and Security** works to develop sustainable, nonpartisan strategies to address the most important security challenges facing the United States and the world. The Center honors General Brent Scowcroft's legacy of service and embodies his ethos of nonpartisan commitment to the cause of security, support for US leadership in cooperation with allies and partners, and dedication to the mentorship of the next generation of leaders. The Scowcroft Center's **Asia Security Initiative** promotes forward-looking strategies and constructive solutions for the most pressing issues affecting the Indo-Pacific region, particularly the rise of China, in order to enhance cooperation between the United States and its regional allies and partners.

The mission of ASI is to help the United States better work with Asian allies and partners in responding to the rise of China. Its mission is also to translate US policy objectives and strategic aims into nuanced messages to Asian stakeholders that incorporate Indo-Pacific voices in order to foster a community of like-minded nations committed to adapting and defending the rules-based international system. In service of these efforts, ASI leverages its mission, method, and talent to provide purposeful programming to address traditional strategic issues in the Indo-Pacific while also developing insight into emerging challenges in non-traditional areas such as global supply chains, changing trade architecture, infrastructure development, energy security, digital connectivity, and advanced technologies that are increasingly impacting the realm of national security.

# Beyond the Peninsula: US-ROK Cooperation on Digital Connectivity in the Indo-Pacific

DECEMBER 2021

MIYEON OH

## Different Views about the Rise of China<sup>1</sup>

The Joseph Biden administration identifies China as the only competitor potentially capable of combining its economic, diplomatic, military, and technological power to mount a sustained challenge to a stable and open international system.<sup>2</sup> In the Washington, DC, policy community, there is a bipartisan consensus that the single most important challenge facing the United States in the twenty-first century's international order is the rise of China. It is, therefore, less likely that US-China relations will go back to the status quo before the Donald Trump administration. There is also a debate about whether China has become a revisionist power under President Xi Jinping's increasingly authoritarian leadership. Whether Xi's leadership specifically presents a structural challenge to the US-led liberal international system remains an open question. But, it is widely accepted that the rise of China's economic and military power, as well as the speed of technological advancement, profoundly impacts every major US national interest.<sup>3</sup>

This poses a fundamental question to US allies and partners in the Indo-Pacific, as it shapes the current and future trajectory of their relations with the United States and China. Do these countries, particularly China's neighboring countries, also consider the rise of China a major threat to their national interests? Or, do they consider mounting US-China tensions

- 1 This issue brief is derived in part from the author's working paper for the conference, "US-China Rivalry and the Biden Doctrine in the Asia-Pacific," at Yonsei University's Centre on Oceania Studies on October 27, 2021 ([https://gsis.yonsei.ac.kr/main/news.asp?mid=n06\\_04&act=view&idx=1224](https://gsis.yonsei.ac.kr/main/news.asp?mid=n06_04&act=view&idx=1224)). The working paper will be published in *Global Asia's* 2021 winter edition.
- 2 "Interim National Security Strategic Guidance," White House, March 2021, <https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf>.
- 3 Anonymous, *The Longer Telegram: Towards A New American China Strategy*, Atlantic Council, 2021, <https://www.atlanticcouncil.org/wp-content/uploads/2021/01/The-Longer-Telegram-Toward-A-New-American-China-Strategy.pdf>.

a major threat? Some Asian countries tend to view intensifying US-China tensions as a more challenging factor than the rise of China itself. Also, it is striking that this clear gap in terms of their views on the rise of China has not been widely acknowledged and discussed in the international policy community—or at least in the Washington policy community.

Understanding this gap has important policy implications, as each country shapes and makes foreign policy decisions based on what it views as a major national security threat. First, it is important to understand that Asian countries have different approaches and assumptions about the US-China rivalry and the rise of China, depending on their national security calculations. Second, identifying major areas in which Asian countries have different approaches to China than that of the United States will help bridge the gap between the United States and Asian countries in terms of understanding policy responses to the US-China rivalry.

In order to understand how Asian countries—including US allies and partners such as the Republic of Korea (ROK)—make different policy choices with regard to the rise of China, it is also important to understand that the United States' characterization of its relationship with China has fundamentally shifted, from viewing China as a strategic partner to seeing it as a strategic competitor. In particular, the United States and China will likely decouple, mainly in the areas of advanced and emerging technologies, as each country seeks to be self-sufficient (or, at least, not dependent on the other) in terms of technologies critical to national security.

The Biden administration is committed to increasing investment in industries that are critical to national security, in order to enhance self-sufficiency in technology and innovation. Its Interim National Security Strategy Guidance outlines a framework for the United States to “build back better” at home and abroad. To do so, the Biden administration states that the United States should break down the boundaries between domestic and foreign policy, so that the US middle class can benefit from its foreign policy. The main narrative is that the United States should strengthen its core competence at home in order to outcompete China

through increasing investment from foreign companies in US domestic infrastructure.

President Biden's actions during his first year in office have indicated that enhancing supply-chain resilience for critical technologies, as well as promoting domestic manufacturing and infrastructure, are among his top economic and political priorities. So far, the Biden administration seems to prioritize competition in crucial areas directly related to US national security. This could be translated as an approach of “targeted decoupling” on a set of key priority areas—such as in industries related to telecommunications technologies, semiconductor chips, high-capacity batteries, and pharmaceuticals that are crucial to national security—to reduce dependence on the Chinese economy.<sup>4</sup> Focused competition on targeted areas could leave room for engagement with China in the areas of global issues such as climate change. However, it is unlikely that there will be any tangible action in terms of bilateral cooperation, given current US domestic politics and the timeline for the midterm elections in 2022.<sup>5</sup>

## Digital Connectivity

This issue brief focuses on digital connectivity efforts through a brief snapshot of Indonesia and Vietnam—the two fastest-growing economies in Southeast Asia—to show how China's neighbors in Asia are on different trajectories in responding to US-China strategic competition. Both the United States and China have been making efforts on digital connectivity in Southeast Asia. Southeast Asia is becoming a region of strategic importance to the United States. Not only is it an engine of world economic growth facing increasing Chinese political and economic influence, but rapid industrialization, urbanization, and digitalization continue to transform the region.<sup>6</sup> As the adoption of digital technologies through developing infrastructure and related networks fundamentally transforms the region, it is a top foreign policy priority for the United States to build a trusted, value-driven digital and technological ecosystem, along with communications and digital-infrastructure networks.

While in-depth case studies are beyond the scope of this issue brief, a brief snapshot explains how two countries in

4 Miyeon Oh, and James Hildebrand, *Enhancing US-Japan Cooperation on Global Supply Chains*, Atlantic Council, May 27, 2021, <https://www.atlanticcouncil.org/in-depth-research-reports/enhancing-us-japan-cooperation-on-global-supply-chains/>.

5 Secretary Antony Blinken said in his speech that “the common denominator is the need to engage China from a position of strength.” Antony J. Blinken, “A Foreign Policy for the American People,” US Department of State, March 3, 2021, <https://www.state.gov/a-foreign-policy-for-the-american-people/>.

6 Miyeon Oh, *Beyond the Peninsula: Prospects for US-ROK Regional Cooperation in the Indo-Pacific*, Atlantic Council, September 17, 2021, <https://www.atlanticcouncil.org/wp-content/uploads/2021/09/Beyond-the-peninsula-Prospects-for-US-ROK-regional-cooperation-in-the-Indo-Pacific.pdf>.

the region are taking different paths to develop digital-related infrastructure and networks in the context of US-China competition. While both the United States and China are investing heavily in Indonesia and Vietnam's telecommunications and digital infrastructure, China seems to have more influence over Indonesia's digital-related activities as part of its Digital Silk Road efforts in the region. On the other hand, Vietnam appears to be on a different trajectory from that of Indonesia, in the sense that it is moving toward Washington's orbit and trying to gain benefits from intensifying US-China competition. Where countries in the region stand with regard to their digital-connectivity efforts has policy implications for the United States and how it works with its allies and partners.<sup>7</sup>

This brief overview of how countries are taking different paths on digital connectivity in the context of US-China competition helps analyze the opportunities and challenges that South Korea's private sector faces in areas related to digital connectivity. The end of this issue brief includes policy recommendations for the United States and South Korea on digital connectivity in the Indo-Pacific.

### China's Digital Silk Road vs. US Digital Connectivity and Cybersecurity Partnership

Since the Digital Silk Road (DSR) was introduced in 2015 by an official Chinese government white paper, it has served as a top policy priority for China's leadership. DSR is becoming central to the Belt and Road Initiative (BRI), President Xi Jinping's signature international initiative to support the expansion and internationalization of Chinese technology companies.

The Chinese Communist Party (CCP) Central Committee has published proposals for the formulation of the Fourteenth Five-Year Plan (2021–2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035.<sup>8</sup> It emphasizes information and

communications technologies (ICT) as an essential driver to boost the innovation of domestic Chinese technology firms and make them more self-sufficient and competitive globally. This concept has been outlined clearly through China's "dual circulation" strategy, which will enable the DSR to more closely link countries to China via ICT and expand China's influence over Southeast Asia through Chinese-built telecommunications and digital infrastructure, as well as fiber-optic terrestrial and submarine cable networks.<sup>9</sup> The Eurasia Group's report on DSR emphasizes that the geopolitical and technology landscape has significantly changed due to the coronavirus pandemic and intensifying US-China strategic competition; other important changes include the arrival of fifth-generation (5G) networks, as well as the development of new applications using artificial intelligence (AI), such as smart-city projects.<sup>10</sup>

In 2018, the US government announced a multiyear Digital Connectivity and Cybersecurity Partnership (DCCP) to support digital-infrastructure investment, technical assistance, and cybersecurity building in the Indo-Pacific. Since former Secretary of State Mike Pompeo announced the partnership, the State Department and the United States Agency for International Development (USAID) funded \$26.5 million through DCCP as "an initial investment to improve partner countries' digital connectivity and expand opportunities for U.S. technology exports."<sup>11</sup> Digital connectivity is an area in which there has been more continuity than discontinuity from the Trump administration to the Biden administration. The Biden administration has been making visible efforts for DCCP in Southeast Asia to establish trusted digital infrastructure, such as through the Blue Dot Network with Japan and Australia, e-commerce, and smart cities, according to the State Department.<sup>12</sup>

### Indonesia vs. Vietnam

Indonesia has been more receptive to Chinese investment, which is why some experts argue that China views

7 "Sec. Pompeo Remarks on 'America's Indo-Pacific Economic Vision,'" US Mission to ASEAN, July 30, 2018, <https://asean.usmission.gov/sec-pompeo-remarks-on-americas-indo-pacific-economic-vision/>.

8 "中共中央关于制定国民经济和社会发展第十四个五年规划和二〇三五年远景目标的建议 [The Proposal of the Central Committee of the Communist Party of China on the Formulation of the Fourteenth Five-Year Plan for National Economic and Social Development and the Visionary Goals for 2035]," Xinhua, November 3, 2020, [http://www.xinhuanet.com/politics/2020-11/03/c\\_1126693293.htm](http://www.xinhuanet.com/politics/2020-11/03/c_1126693293.htm).

9 Dai Mochinaga, "The Digital Silk Road and China's Technology Influence in Southeast Asia," Council on Foreign Relations, June 10, 2021, [https://www.cfr.org/sites/default/files/pdf/mochinaga\\_the-digital-silk-road-and-chinas-technology-influence-in-southeast-asia\\_june-2021.pdf](https://www.cfr.org/sites/default/files/pdf/mochinaga_the-digital-silk-road-and-chinas-technology-influence-in-southeast-asia_june-2021.pdf).

10 "The Digital Silk Road: Expanding China's Digital Footprint," Eurasia Group, April 8, 2020, <https://www.eurasiagroup.net/files/upload/Digital-Silk-Road-Expanding-China-Digital-Footprint-1.pdf>.

11 "Fact Sheet: The United States and ASEAN: Expanding the Enduring Partnership," US Embassy and Consulate in Vietnam, November 9, 2021, <https://vn.usembassy.gov/fact-sheet-the-united-states-and-asean-expanding-the-enduring-partnership>.

12 "U.S. Support for the ASEAN Outlook on the Indo-Pacific," US Department of State, August 4, 2021, <https://www.state.gov/u-s-support-for-the-asean-outlook-on-the-indo-pacific/>.

## China's Key Players in Global Digital-Connectivity Efforts

(Table includes sources in prior reports from Eurasia Group and the Council on Foreign Relations)

### Public Sector

- **The National Development and Reform Commission (NDRC) of the People's Republic of China (PRC):** The NRDC is a central actor in implementing the Chinese government's policies and decisions on economic development and reform, including China's Belt and Road Initiative and Digital Silk Road. This includes projects and investments related to China's digital-connectivity efforts throughout BRI countries around the world.<sup>1</sup>
- **Cyberspace Administration of China (CAC):** The PRC's global efforts aimed at building a new global system of data governance are driven by this specific governmental agency, which is responsible for China's digital-economy and cybersecurity initiatives domestically and abroad.<sup>2</sup>
- **Ministry of Science and Technology and the Ministry of Industry and Information Technology (MIIT):** Both ministries have played key roles in allowing Chinese companies to attain access to foreign markets, signing bilateral cooperation agreements and memoranda of understanding (MoUs) on digital-connectivity efforts with counterpart ministries across BRI member countries.<sup>3</sup>
- **The China Satellite Navigation Office** acts as China's key driver in its efforts to promote and expand BeiDou, a Chinese global-satellite system that serves as an alternative to the US government-owned Global Positioning System (GPS).<sup>4</sup> Multiple countries throughout Asia (such as Thailand, Pakistan, Brunei, and Laos) have already adopted BeiDou. This has proven to be a critical part of China's ambitions to influence and lead digital-connectivity efforts throughout the globe.<sup>5</sup>

### State-Owned Enterprises (SOEs)

- SOEs are key players in digital-connectivity projects, building data centers or constructing digital infrastructure. Gou Ping, an official from China's Assets Supervision and Administration Commission, announced that more than "80 centrally-administered SOEs have built group-level data centers."<sup>6</sup> Based on this data, the "net profits of China's centrally-administered SOEs expanded 2.1 percent year-on-year in 2020 to \$215.77 billion USD."<sup>7</sup>
- **China Unicom**, one of China's leading state-owned telecom operators, has built a new 25,000-kilometer submarine communications cable spanning from Hong Kong to France, directly connecting China's communications infrastructure with those in countries throughout Europe, Africa, Southeast Asia, and the Middle East.<sup>8</sup>
- **The Export-Import Bank of China** has been a key driver of one of China's flagship BRI projects, building a modern high-speed railway running from the China-Laos border gate at Boten to Laos' capital, Vientiane. This project is planned to also connect with a railway line to Bangkok, and southward along the Malay peninsula to Singapore.<sup>9</sup> Sixty percent of the Boten-Vientiane railway's funding comes through debt financing (\$3.6 billion) through the

1 "The Digital Silk Road."

2 Ibid.

3 Ibid.

4 Chan Jia Hao, "China's Digital Silk Road: A Game Changer for Asian Economies," *The Diplomat*, April 30, 2019, <https://thediplomat.com/2019/04/chinas-digital-silk-road-a-game-changer-for-asian-economies/>.

5 Ibid.

6 "Chinese Stated-Owned Enterprises Accelerate New Digital Infrastructure Construction," *Global Times*, March 19, 2021, <https://www.globaltimes.cn/page/202103/1218877.shtml>.

7 Ibid.

8 Mochinaga, "The Digital Silk Road and China's Technology Influence in Southeast Asia."

9 "Four Companies to Provide ICT Services for China-Laos Railway," Xinhua, January 11, 2017, [http://www.xinhuanet.com/english/2017-01/11/c\\_135971222.htm](http://www.xinhuanet.com/english/2017-01/11/c_135971222.htm); Huawei, December 21, 2020, "Huawei Helps to Build the First Smart Expressway in Laos", Huawei, December 21, 2020, <https://e.huawei.com/cn/news/ebg/2020/first-expressway-laos>.

**Export-Import Bank of China**, and the remaining 40 percent (\$2.4 billion) is funded by a joint-venture company between China and Laos.<sup>10</sup> China holds a majority stake in this joint venture at 70 percent, while the Lao government reimburses the remaining amount by disbursing \$250 million from its national budget and borrowing \$480 million from the Export-Import Bank of China.<sup>11</sup>

### Private Sector

- China's leading tech giants drive its digital-connectivity efforts both domestically and internationally. For example, three leading Chinese firms, the so-called **BAT** (Baidu, Alibaba, and Tencent), were involved in "35 overseas deals compared with 20 deals by US internet firms in 2015 and 2016."<sup>12</sup>
- **Huawei** is currently working with Myanmar's Ministry of Transport and Communications to launch 5G broadband services by 2025, leapfrogging a number of generations of mobile networks (this is officially within the DSR initiative, but it is hard to tell whether this project is driven by DSR or Huawei).<sup>13</sup> In addition, Thailand launched Huawei's first 5G testbed in Southeast Asia in February 2020. The country had previously set up a \$22.5-million cloud data center in the country's Eastern Economic Corridor, in which Alibaba, JD.com, and Tencent have also expressed interest in investing. In April 2020, Huawei announced the launch of a new Cloud and AI Innovation Lab in Singapore, publicly stating its intention for this project to align with Singapore's Smart Nation strategy, a national effort aimed at developing the city-state's digital economy.<sup>14</sup>
- **Alibaba Cloud** announced a partnership in May 2019 with Malaysia's smart traffic-system controller Sena Traffic Systems to cooperate in building a smart traffic-management system for Malaysian cities that will "transform the traffic management infrastructure" in the country through "cloud empowered smart technologies."<sup>15</sup>
- **Tencent** has made a major investment in Go-Jek, an Indonesian startup that specializes in ride-hailing service for four-wheeled vehicles, leading a \$1.2-billion round of investment funding. In addition, Tencent has also signed a joint-venture deal totaling \$500 million with Thailand's Central Group to work on e-commerce."<sup>16</sup>
- **Didi Chuxing**, the world's largest mobile transportation platform, invested \$2 billion alongside Japanese firm SoftBank in Southeast Asia's leading mobile technology platform, Grab, in 2017.<sup>17</sup> In addition, Tencent and JD.com provided funding in a \$1-billion investment round alongside Google in Indonesia's leading ride-hailing company, Go-Jek, in early 2019.<sup>18</sup>
- **Ant Group**, an affiliate of Alibaba Group that owns Alipay, China's largest digital payment platform, has vastly expanded Alipay's presence in Southeast Asian markets in recent years, including Thailand, Singapore, Indonesia, Myanmar, and the Philippines.<sup>19</sup>

10 Nick Freeman, "Can Laos Profit from China Rail Link Despite Being US\$1.5 Billion in Debt?" *South China Morning Post*, December 10, 2019, <https://www.scmp.com/week-asia/opinion/article/3041394/can-laos-profit-china-rail-link-despite-being-us15-billion-debt>.

11 Ibid.

12 Jonathan Woetzel, et al., "China's Digital Economy: A Leading Global Force," McKinsey Global Institute, August 2017, <https://www.mckinsey.com~/media/mckinsey/featured%20insights/China/Chinas%20digital%20economy%20A%20leading%20global%20force/MGI-Chinas-digital-economy-A-leading-global-force.ashx>.

13 Chan, "China's Digital Silk Road: A Game Changer for Asian Economies."

14 "Thailand Launches Huawei 5G Test Bed, Even as US Urges Allies to Bar China Gear," *Reuters*, February 8, 2019, <https://www.cnbc.com/2019/02/08/thailand-launches-huawei-5g-test-as-us-urges-allies-to-bar-china-gear.html>.

15 "'Smarter' Traffic Management for Malaysia," *BusinessToday*, May 24, 2019, <https://www.businesstoday.com.my/2019/05/24/smarter-traffic-management-for-malaysia/>.

16 Aron Chen, "Alibaba and Tencent Target Southeast Asia for Potential Growth," Pingwest, September 25, 2019, <https://en.pingwest.com/a/3537>.

17 Mochinaga, "The Digital Silk Road and China's Technology Influence in Southeast Asia."

18 Johana Bhuiyan, "Didi and SoftBank are Investing \$2 Billion in Ride-Hail Company Grab," *Vox*, July 23, 2017, <https://www.vox.com/2017/7/23/16018112/didi-softbank-grab-southeast-asia-funding-2-billion-dollars>; "Huawei Launches Cloud & AI Innovation Lab in Singapore," *China Daily*, April 25, 2019, <http://global.chinadaily.com.cn/a/201904/25/WS5cc11fa0a3104842260b849f.html>; "Go-Jek Raises \$1 Billion in Round Led by Google, Tencent, JD," *Reuters*, February 1, 2019, <https://www.reuters.com/article/us-go-jek-indonesia-fundraising-idUSKCN1PQ4BY>.

19 Kentaro Iwamoto, "China's Ant Eyes Southeast Asia E-Payment Dominance with IPO," *Nikkei Asia*, September 4, 2020, <https://asia.nikkei.com/Business/Business-Spotlight/China-s-Ant-eyes-Southeast-Asia-e-payment-dominance-with-IPO>.

Indonesia as an anchor for its economic, digital, and political pathway to enhance its influence over Southeast Asia. In June 2019, President Xi Jinping and President Joko Widodo agreed to continue bilateral cooperation on smart cities and digital economy as new drivers for economic development.<sup>13</sup> Along with the announcement of AUKUS—a trilateral security pact between Australia, the United Kingdom, and the United States—Chinese foreign officials had a meeting with the Indonesian ambassador to China to discuss strengthening cooperative partnerships between the two countries.<sup>14</sup>

Major digital-connectivity efforts in Indonesia include the following. More examples are described in Table 1.

- While Indonesia has signed contracts with Huawei, Nokia, and Ericsson on 5G related infrastructure and services, Huawei is ramping up its activities through assisting with the training of one hundred thousand Indonesian workers in 5G technology, cooperating with Indosat Ooredoo (the second-largest telecom company in Indonesia) in the installation of 5G infrastructure in the capital Jakarta and other regions, and offering its equipment at a cost 20–30 percent lower than those of Nokia and Ericsson. Indonesia, for the first time, signed an agreement with Huawei on developing training human resources in digital technologies, which was renewed in September 2021.<sup>15</sup>
- Tencent Cloud and Alibaba Cloud, two of China’s technology giants, also established their first data centers in Indonesia. Jakarta possesses unique abilities to convey data in Southeast Asian regions, in terms of accessibility and infrastructure. Although it is at a disadvantage in terms of proximity to end users, the announcement of the second data-center construction from Tencent indicated how Indonesia has “robust and prosperous” digital potential.<sup>16</sup>
- Jakarta accelerated its partnerships not only with the Chinese private sector, but also with Beijing. Both countries signed a memoranda of understanding (MoU) on cybersecurity capacity and technology in 2021. This was the first type of MoU signed by the Indonesian government with a foreign government. The MoU covered the Internet-governance system, data security, and cyberspace order, by upholding principles of state sovereignty on cyberspace. The day after the MoU, Huawei officially launched the ASEAN Academy Engineering Institute in Jakarta.<sup>17</sup> This cooperative partnership likely stemmed from the recent “emergence of digital authoritarianism in Indonesia, including the imposition of the Job Creation Law and the increase of digital attacks on critic group.”<sup>18</sup> Jakarta announced a regulation to censor digital content, which was denounced by human-rights advocates.<sup>19</sup>
- Microsoft announced plans to build its first local data center in Indonesia, which aims to provide a reliable local cloud service that emphasizes data security, privacy, and data-storage capacity. Microsoft plans to empower more than twenty-four million Indonesian citizens by the end of 2021 through offering training programs aimed at establishing inclusive economic opportunities.

Vietnam seems to be on a different trajectory from Indonesia, considering its recent cooperation with the United States and its allies and partners. While China’s economic presence in Vietnam is still large, such as through Tencent and Alibaba, Vietnam’s government and people are much more suspicious of Chinese intentions across the region. Both US Vice President Kamala Harris and Chinese Foreign Minister Wang Yi visited Vietnam in 2021—in August and September, respectively—which shows the strategic importance of Vietnam for both countries. However, public opinion polls show that only 25 percent of Vietnamese

13 “Xi meets Indonesian president on ties”, China Daily, June 28, 2019, <https://www.chinadaily.com.cn/a/201906/28/WS5d161638a3103dbf1432aecb.html>

14 Laura Zhou, “China seeks support from Southeast Asia after US, Britain and Australia unveil new security pact,” *South China Morning Post*, September 25, 2021, <https://www.scmp.com/news/china/diplomacy/article/3150023/china-seeks-support-southeast-asia-after-us-britain-and>.

15 Koya Jibiki and Takashi Kawakami, “Huawei’s 5G Deal with Indonesia Spearheads Southeast Asia Push,” *Nikkei Asia*, December 2, 2020, <https://asia.nikkei.com/Spotlight/Huawei-crackdown/Huawei-s-5G-deal-with-Indonesia-spearheads-Southeast-Asia-push>.

16 Jennifer Amelia and Desita Nanlohy, “Indonesia’s Data Centre Driving Force,” JLL, June 25, 2021, <https://www.joneslanglasalle.com/en/trends-and-insights/research/indonesia-data-centre-driving-force>.

17 Jayanty Nada Shofa, “Huawei Affirms Support for Indonesia’s Digital Transformation with New Academy,” *Jakarta Globe*, January 26, 2021, <https://jakartaglobe.id/tech/huawei-affirms-support-for-indonesias-digital-transformation-with-new-academy/>.

18 Damar Juniarto, “The Rise of Digital Authoritarianism in Indonesia,” *ASEANFocus* 35, 4, 2020, 13, <https://www.iseas.edu.sg/wp-content/uploads/2020/12/ASEANFocus-December-2020.pdf>.

19 “Indonesia Adds Another Weapon to Its Speech-Suppressing Arsenal,” *The Economist*, June 5, 2021, <https://www.economist.com/asia/2021/06/05/indonesia-adds-another-weapon-to-its-speech-suppressing-arsenal>.

## Table 1. Digital-Connectivity Efforts in Indonesia

- September 2021: Huawei Indonesia renewed an MoU on cybersecurity cooperation with the National Cyber and Crypto Agency of the Republic of Indonesia. At the same time, Indonesian authorities stated that they “uncovered no evidence” that Indonesia’s intelligence service’s computers were hacked by a Chinese hacking group.<sup>1</sup>
- September 2021: Tencent Cloud announced plans to build its second Internet data center (IDC) in Indonesia by the end of 2021, marking the first time Tencent Cloud has set out to establish two IDCs in one market within the same year (Tencent Cloud’s first Internet data center in Jakarta was launched in April 2021).<sup>2</sup> In addition, Alibaba Cloud launched its third data center in Indonesia in June 2021, with “offerings across database, security, network, machine learning and data analytics services.”<sup>3</sup>
- May 2021: South Korea and Indonesia signed an MoU on the creation and buildup of new e-government platforms. This MoU is a follow-up to past negotiations in 2019, which sought to establish a digital government-cooperation center and convey e-governance knowledge until December 2023, starting in July 2021.<sup>4</sup>
- November 2020: Google, alongside Singapore’s Temasek, invested \$350 million in Tokopedia, a leading Indonesian e-commerce platform. This investment came immediately following Microsoft’s investment in Tokopedia’s rival, Bukalapak, highlighting the significant interest US tech giants have in developing Indonesia’s booming e-commerce sector and in Indonesian tech companies valued at more than \$1 billion.<sup>5</sup>
- July 2020: Indonesia’s minister of communications and informatics, Johnny G. Plate, met with the French ambassador to Indonesia to discuss bilateral cooperation on the country’s digital transformation.<sup>6</sup>
- February–June 2019: Chinese telecommunication vendors expanded their cooperation with Jakarta in developing Indonesia’s digital sectors. ZTE Corporation signed an MoU on 5G cooperation with PT Telkom Indonesia (Persero) Tbk (also referred to as Telkom), the largest digital-telecommunication operator in Indonesia.<sup>7</sup> At the same time, Huawei signed an MoU with Indonesian mobile operator Telkomsel in February 2019 “to accelerate ecosystem and infrastructure development” in Indonesia’s digital economy.<sup>8</sup>
- June 2018: Indonesian conglomerate Lippo Group received a \$43.9 million investment from Tencent Holdings, and stated that the investment highlights the group’s “continued digital transformation and investment into the fourth industrial revolution.”<sup>9</sup>
- August 2017: Alibaba announced an initial \$1.1 billion investment in Tokopedia, Indonesia’s leading e-commerce platform.<sup>10</sup> Founded in 2009, Tokopedia operates an online platform that allows small retailers and large brands throughout the world to sell to consumers based in Indonesia. Previously, Tokopedia raised \$100 million from SoftBank and Sequoia in 2014, and additional investors in the firm include East Ventures, CyberAgent, and Beenos Partners. Tokopedia also announced that a number of undisclosed existing investors also took part in this newest round of funding.<sup>11</sup>

1 Mary Ellen Cagnassola, “Indonesia Has No Evidence China Hacked Intelligence Service After Warning by U.S. Company,” *Newsweek*, September 20, 2021, <https://www.newsweek.com/indonesia-has-no-evidence-china-hacked-intelligence-service-after-warning-us-company-1630798>; “Huawei Strengthens Contribution and Cooperation in Indonesia Cyber Security,” Huawei, September 28, 2021, <https://www.huawei.com/us/news/2021/9/tripartite-cooperation-agreement-indonesia-cyber-security>.

2 “Tencent Cloud Steps Up Commitment in Indonesia Following Launch of First IDC,” *Jakarta Post*, September 11, 2021, <https://www.thejakartapost.com/adv/2021/09/11/tencent-cloud-steps-up-commitment-in-indonesia-following-launch-of-first-idc.html>; Eisyah Elok Sari, “China’s Tencent Cloud Launches First Data Center in Indonesia,” *Jakarta Post*, April 13, 2021, <https://www.thejakartapost.com/news/2021/04/13/chinas-tencent-cloud-launches-first-data-center-in-indonesia.html>.

3 “Alibaba Cloud Invests US\$1m to Support APAC Startups and Developers,” *Marketing*, June 9, 2021, <https://www.marketing-interactive.com/alibaba-cloud-invests-us1m-to-support-apac-startups-and-developers>

4 “한국-인도네시아, ‘디지털정부 협력센터 설치’ MOU 체결 [Republic of Korea and Indonesia Signed MoU to Establish ‘E-Government Cooperation Center’],” KBS, May 25, 2021, <https://news.kbs.co.kr/news/view.do?ncd=5193482>.

5 Yoolim Lee, “Google, Temasek Agree to Invest \$350 Million in Tokopedia,” *Bloomberg News*, October 25, 2020, <https://www.bloomberg.com/news/articles/2020-10-26/google-temasek-are-said-to-invest-350-million-in-tokopedia?sref=a9fBmPFG>.

6 “Indonesia, France Discuss Digital Transformation,” *AntaraNews*, July 18, 2020, <https://en.antaranews.com/news/152606/indonesia-france-discuss-digital-transformation>.

7 “ZTE and Telkom Indonesia Sign Business Cooperation MoU in 5G,” ZTE, June 21, 2019, <https://www.zte.com.cn/global/about/news/20190621e1.html>.

8 “Telkomsel Signs MoU with Huawei to Build a Fully Connected Digital Indonesia,” *Digital News Asia*, February 27, 2019, <https://www.digitalnewsasia.com/digital-economy/telkomsel-signs-mou-huawei-build-fully-connected-digital-indonesia>.

9 Erwida Maulia, “Tencent Receives \$44m Investment from Indonesia’s Lippo,” *Nikkei Asia*, June 28, 2018, <https://asia.nikkei.com/Business/Tencent-receives-44m-investment-from-Indonesia-s-Lippo>.

10 Jon Russell, “Alibaba Leads \$1.1B Investment in Indonesia-Based E-Commerce Firm Tokopedia,” *TechCrunch*, August 17, 2017, <https://techcrunch.com/2017/08/17/alibaba-tokopedia/>.

11 Ibid.

respondents believe that China has exerted “a positive impact on their country,” whereas the poll shows that 85 percent of respondents feel that way about the United States, according to the latest Vietnam Asian Barometer Survey (ABS) data.<sup>20</sup>

Major digital-connectivity efforts in Vietnam include the following. More examples are described in Table 2.

- Providing investment capital of \$220 million, Samsung Electronics plans to build its first R&D center outside South Korea, and also the largest of its kind by a foreign-invested business in Vietnam, by the end of 2022.<sup>21</sup>
- In August 2020, the Japan-Viet Nam Joint Committee on Cooperation in Industry, Trade and Energy Facilitating Digital Transformation and Industry 4.0 confirmed the importance of promoting further cooperation in digital-technology application and transfer, as well as smart production, between Vietnamese and Japanese enterprises.<sup>22</sup>
- USAID and Vietnam’s Office of the Government (OOG) signed an MoU on October 13, 2020, to help Vietnam “accelerate administrative reforms, enhance national inter-agency coordination and transparency, and further develop its e-government platform—the National Public Service Portal,” which will provide benefits for Vietnamese businesses and citizens.<sup>23</sup>
- On December 1, 2020, Japan’s Ministry of Internal Affairs and Communications and the Ministry of Information and Communications of Viet Nam discussed their further cooperation in the cybersecurity, 5G, digital-transformation, and postal fields at the fourth meeting of the Japan-Viet Nam Joint ICT Working Group.<sup>24</sup>
- In January 2020, the industrial zone and high-tech park authority in Danang approved an investment license for a Silicon-Valley based company, Hayward Quartz, for a \$110-million semiconductor project. The plant will specialize in the production of semiconductor materials.<sup>25</sup>
- Intel, a US company, has invested \$475 million in its Vietnamese assembly and test facility, pushing its overall investment in the local site to \$1.5 billion, aiming to enhance the production of Intel’s 5G product line.<sup>26</sup>
- On April 7, 2021, as part of its national strategy to become a major player in artificial intelligence in the next decade, Vietnam signed a partnership agreement with NAVER, a leading South Korean ICT firm. This agreement aims to launch NAVER’s first AI research center in Hanoi, in collaboration with the Hanoi University of Science and Technology.<sup>27</sup>
- On August 25, 2021, the US government announced the Workforce for an Innovation and Startup Ecosystem (WISE), a USAID project that provides a \$2-million grant to “support efforts to transform Vietnam’s labor intensive, low-skilled industries to a workforce better equipped to engage in the global digital economy.”<sup>28</sup>
- A cooperation agreement between the Vietnam Posts and Telecommunications Group (VNPT) and Nokia Corporation on the upgrade and development of

20 Mengzhen Xia and Dingding Chen, “China and the US: Who Has More Influence in Vietnam?” *The Diplomat*, May 21, 2021, <https://thediplomat.com/2021/05/china-and-the-us-who-has-more-influence-in-vietnam/>.

21 Ngoc Thuy, “Samsung Starts Construction SE Asia’s Largest R&D Center in Hanoi,” *Hanoi Times*, March 2, 2020, <http://hanoitimes.vn/samsung-starts-construction-seas-largest-rd-center-in-hanoi-311215.html>.

22 “METI Holds the Fourth Meeting of Japan-Viet Nam Joint Committee on Cooperation in Industry, Trade and Energy,” Ministry of Economy, Trade, and Industry, August 7, 2020, [https://www.meti.go.jp/english/press/2020/0807\\_002.html](https://www.meti.go.jp/english/press/2020/0807_002.html).

23 “USAID Launches Assistance to Strengthen Vietnam’s E-Government Development,” USAID, October 16, 2020, <https://www.usaid.gov/vietnam/program-updates/oct-2020-usaid-launches-assistance-strengthen-vietnam-s-e-government-development>.

24 “Results of Fourth Meeting of Japan-Viet Nam Joint Working Group,” Ministry of Internal Affairs and Communications, Japan, December 3, 2020, [https://www.soumu.go.jp/main\\_sosiki/joho\\_tsusin/eng/pressrelease/2020/12/03\\_01.html](https://www.soumu.go.jp/main_sosiki/joho_tsusin/eng/pressrelease/2020/12/03_01.html).

25 “Da Nang Licenses US\$110 Million Semiconductor Project,” NhanDan, January 22, 2021, [https://en.nhandan.vn/business/item/9522202-da-nang-licenses-us\\$110-million-semiconductor-project.html](https://en.nhandan.vn/business/item/9522202-da-nang-licenses-us$110-million-semiconductor-project.html).

26 Eileen Yu, “Intel Invests \$475M in Vietnam Facility to ‘Enhance’ 5G, Core manufacturing,” ZDNet, January 26, 2021, <https://www.zdnet.com/article/intel-invests-475m-in-vietnam-facility-to-enhance-5g-core-manufacturing/>.

27 “Vietnam Shakes Hand with RoK’s Naver to Drive AI Ambitions: Nikkei,” VietnamPlus, April 9, 2021, <https://en.vietnamplus.vn/vietnam-shakes-hand-with-roks-naver-to-drive-ai-ambitions-nikkei/199869.vnp>.

28 “Fact Sheet: Strengthening the U.S.-Vietnam Comprehensive Partnership,” White House, August 25, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/25/fact-sheet-strengthening-the-u-s-vietnam-comprehensive-partnership/>.



**Table 2. Digital-Connectivity Efforts in Vietnam**

- October 2021: The Military Industry and Telecommunications Group (Viettel) and Samsung Vina Electronics Company signed a strategic-cooperation agreement with the Vietnamese government on the comprehensive development of 5G telecommunications equipment and information-technology solutions to “accelerate the digital transformation process for individuals and organizations” in Vietnam.<sup>1</sup>
- April 2021: Amazon announced plans to strengthen collaboration with Vietnam’s E-commerce and Digital Economy Agency (iDEA) under the Ministry of Industry and Trade, and launched the “Win Global with Local Product in New Trade Era” campaign to assist Vietnamese online sellers. The joint program aims to provide relevant skills and knowledge on the cross-border e-commerce market, and to support and educate Vietnamese sellers through workshops and training sessions.<sup>2</sup>
- April 2021: Aus4Innovation, an Australian development-assistance program, provided a \$1.13 million fund to facilitate innovation in Vietnam’s digital economy. The program selected future digital economy and resilient agriculture and food systems as focus areas in its first phase. The first half of the program has achieved success in “testing collaborative models to scale up” and building productive relationships.<sup>3</sup> In 2020, both Australia and Vietnam agreed to plan for a second phase of work (up until 2025), and to fund transitional initiatives in 2021 and 2022 that respond to COVID-19 recovery priorities. Artificial-intelligence activities, under the future digital economy theme, were the first to be supported.<sup>4</sup> In addition, the Australian government has signed a new MoU with Vietnam furthering its “commitment to regional collaboration on e-government and digital transformation” in August 2019.<sup>5</sup>
- January 2021: Vietnam requested a cooperative partnership with Germany at the first Vietnamese–German Joint Economic Committee.<sup>6</sup> In December 2020, Japan’s Ministry of Internal Affairs and Communications and the Ministry of Information and Communications of Viet Nam discussed their further cooperation in the cybersecurity, 5G, digital-transformation, and postal fields at the fourth meeting of the Japan-Viet Nam Joint ICT Working Group.<sup>7</sup>
- October 2019: A Chinese financial firm, Ant Group, acquired a “sizable stake” in Vietnamese e-wallet firm eMonkey. Given increased anti-China sentiment in Vietnam, details surrounding the investment were hidden from the public until recently. This investment would provide Ant Group access to Vietnam’s “booming e-commerce market of nearly 100 million people,” where a quarter of the population is also under the age of twenty-five.<sup>8</sup>
- September 2019: Vietnam’s largest mobile carrier, Viettel Group, announced its decision to ban Huawei equipment in the development of its 5G wireless network, citing security concerns with the Chinese company.<sup>9</sup> The military-run telecom will rely mainly on hardware supplied by Finland’s Nokia and Sweden’s Ericsson, according to local media reports.<sup>10</sup>
- March 2019: Vietnam reached out to foreign partners to enhance its digital capacities. Vietnam and Singapore announced an agreement in March 2019, highlighting that both countries “will prioritize cooperation in innovation and technology.”<sup>11</sup> In July 2018, Estonia’s e-Governance Academy and Vietnam’s Telecommunications Institute of Technology, housed within its Ministry of Information and Communication, signed an MoU on cooperation in designing training courses on digital transformation and e-governance for Vietnamese government officials.<sup>12</sup>

1 Tram Ho, “Samsung and Viettel Signed a Strategic Cooperation Agreement to Promote Digital Transformation,” *itZone*, October 9, 2021, <https://itzone.com.vn/en/article/samsung-and-viettel-signed-a-strategic-cooperation-agreement-to-promote-digital-transformation/>.

2 “Amazon Announced to Strengthen Collaboration with iDEA,” *Vietnam Investment Review*, April 28, 2021, <https://vir.com.vn/amazon-announced-to-strengthen-collaboration-with-idea-83931.html>.

3 “Australia Funds Innovation in Vietnam,” *Aus4Innovation*, April 19, 2021, <https://research.csiro.au/aus4innovation/australia-funds-innovation-in-vietnam/>.

4 *Ibid.*

5 “Australia and Vietnam to Collaborate on Digital Transformation,” *Digital Transformation Agency*, August 29, 2019, <https://www.dta.gov.au/media-release/australia-and-vietnam-collaborate-digital-transformation>.

6 Hai Yen, “Vietnam Seeks Germany’s Support for Digital Transformation in Manufacturing,” *Hanoi Times*, January 14, 2021, <http://hanoitimes.vn/vietnam-seeks-germany-support-in-establishing-manufacturing-digital-transformation-center-315891.html>.

7 “Results of Fourth Meeting of Japan-Viet Nam Joint Working Group.”

8 Fanny Potkin, “Exclusive: Ant Financial Takes Stake in Vietnam’s eMonkey: Sources,” *Reuters*, December 19, 2019, <https://www.reuters.com/article/us-antfinancial-vietnam-exclusive-idUSKBN1YN1DI>.

9 Nguyen Tung, “Viettel Moves Away from Huawei’s 5G Technology,” *Hanoi Times*, August 26, 2019, <https://hanoitimes.vn/viettel-moves-away-from-huaweis-5g-technology-42438.html>.

10 *Ibid.*

11 “Vietnam, Singapore Boost Cooperation in Innovation, Technology,” *NhanDan*, March 13, 2019, <https://en.nhandan.vn/scitech/sci-tech/item/7237402-vietnam-singapore-boost-cooperation-in-innovation-technology.html>.

12 “Introducing Estonian ICT Solutions to Developing Countries,” *Cybil*, <https://cybilportal.org/projects/introducing-estonian-ict-solutions-to-developing-countries/>; “eGA to Begin Cooperation with the Government of Vietnam,” *e-governance academy*, July 18, 2021, <https://ega.ee/news/ega-to-begin-cooperation-with-the-government-of-vietnam/>.

VNPT's digital infrastructure was signed during the top Vietnamese legislator's ongoing official visit to Finland. Under the agreement, the two sides agreed to "strengthen strategic cooperation to upgrade the capacity of backbone and core networks, develop 4G, 5G, and internet of things (IoT) platforms, continue commercial testing of 5G services, and cooperate in developing and applying new networking technology."<sup>29</sup>

- On October 1, 2021, USAID announced it would help Vietnam to launch its first guidebook on digital transformation for businesses—as well as to link USAID's Small and Medium Enterprises (LinkSME) project with that of Vietnam's Ministry of Planning and Investment (MPI) in carrying out its "Supporting Enterprises' Digital Transformation from 2021 to 2025"—as part of its efforts to help Vietnamese enterprises boost productivity, resilience, and global reach.<sup>30</sup>

Indonesia's commercial AI market is the area in which both the United States and China are primarily interested. China views Indonesia as "an anchor for its economic, digital, and political pathway" to enhance its influence over Southeast Asia.<sup>31</sup> China's efforts in Indonesia focus on strengthening educational partnerships, investing in Indonesia's AI startups, and advancing bilateral cybersecurity cooperation with the Indonesian government. In contrast, the United States has pursued a private-sector-based approach in terms of investment in Indonesia's AI capabilities, through existing educational-exchange programs and venture-capital-driven investments.<sup>32</sup>

Vietnam's trajectory, in terms of its position with regard to the US-China rivalry and its digital-connectivity efforts, seems to be different from that of Indonesia. As noted from recent activities on digital connectivity, Vietnam is seeking cooperation with the United States and its allies and partners in terms of infrastructure development and trying to benefit from the US-China rivalry in areas such as supply chains, as Vietnam can be a substitute country for China to diversify global supply chains for technology-related industries.

How countries respond to the US-China competition has important policy implications for US policymakers. In his first speech at the State Department, Secretary of State Antony Blinken said, "the US relationship with China will be competitive when it should be, collaborative when it can be, and adversarial when it must be. The common denominator is the need to engage China from a position of strength."<sup>33</sup> As has been seen from the Quad, AUKUS, and the Summit for Democracy, the United States is trying to form different types of informal frameworks of multilateral cooperation to manage the rise of China through a coordinated response. The Biden administration aims to achieve the end state, which the author believes would be coexistence of the US and Chinese economies in a single international system, through treating its relationship with China differently depending on the three baskets of issues mentioned above. In order to better engage with likeminded countries, the Biden administration is also seeking different approaches for different countries and different issue areas.

### US-ROK Cooperation in Southeast Asia on Digital Connectivity

In the leaders' joint statement from a May 2021 summit, President Biden and the Republic of Korea's President Moon Jae-in have agreed to work together to develop open, transparent, and efficient 5G and sixth-generation (6G) network architectures using open radio-access network (Open-RAN) technology.<sup>34</sup> The two leaders are committed to working together to develop a future-oriented partnership in areas of emerging technologies, including AI, 5G and 6G, open-RAN technology, quantum technology, and biotechnology. The two leaders also agreed to expand regional coordination in Southeast Asia to promote greater connectivity and foster digital innovation, by aligning South Korea's New Southern Policy and the United States' vision for a free and open Indo-Pacific.

This could be developed into a major policy change from the ROK government's previous position on its cooperation with the United States in digital connectivity. South Korea's

29 "Vietnam, Nokia Sign Agreement on Digital Infrastructure Development," *Phnom Penh Post*, September 13, 2021, <https://www.phnompenhpost.com/business/vietnam-nokia-sign-agreement-digital-infrastructure-development>.

30 "USAID Helps Vietnam Launch First Ever Guidebook on Digital Transformation for Businesses," USAID, June 18, 2021, <https://www.usaid.gov/vietnam/program-updates/jun-2021-usaid-helps-vietnam-launch-first-ever-guidebook-digital-transformation>.

31 Kayla Goode and Heeu Millie Kim, "Indonesia's AI Promise in Perspective," Center for Security and Emerging Technology, August 2021, <https://cset.georgetown.edu/wp-content/uploads/CSET-Indonesias-AI-Promise-in-Perspective-1.pdf>.

32 Ibid.

33 Blinken, "A Foreign Policy for the American People."

34 "U.S.-ROK Leaders' Joint Statement," White House, May 21, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/05/21/u-s-rok-leaders-joint-statement/>.

2020 Senior Economic Dialogue (SED) stated that embracing the US-led Clean Network Initiative, particularly joining the 5G Clean Path, is a matter that private businesses must decide based on the relevant local law.<sup>35</sup> The diversion in terms of US-South Korea cooperation on 5G in Southeast Asia has stemmed from the predominant question of how to respond to China's efforts to lead the regional development of digital infrastructure and networks for 5G and ICT.<sup>36</sup> First of all, the US and South Korean governments should articulate a specific vision for cooperation on technology and digital connectivity—particularly in terms of how to link South Korean investment in US technology industries with bilateral cooperation on digital connectivity in Southeast Asia. The issue of emerging technologies—such as AI, 5G, and open-RAN—has presented South Korea with growing dilemmas, particularly for private companies in terms of intensifying US-China competition. South Korean companies should determine how to balance the beneficial market opportunities that they can gain from closer US-ROK cooperation with the reality that restrictions on their tech exports to Chinese companies and customers could create a major economic disruption.<sup>37</sup>

The United States and South Korea should work together to present a specific and clear roadmap for follow-up policies, building on their leaders' joint statement from the May 2021 summit. The following policy recommendations are further developed from the author's report, *Beyond the Peninsula: Prospects for US-ROK Regional Cooperation in the Indo-Pacific*.<sup>38</sup>

First, the two governments should establish a mechanism for public-private partnerships for bilateral cooperation on digital connectivity, which can provide a platform through which US and South Korean companies can actively participate in Southeast Asia. The United States and South Korea should leverage both countries' strong track records of investment in Southeast Asia to facilitate the expansion of regional coordination, promote greater connectivity, and foster digital innovation. Vietnam is a strong case for

the two countries to set up a mechanism for public-private partnerships, given the strong track record of US development-assistance efforts, as well as the strong presence of South Korean companies.

Second, the United States and South Korea should consider a country-specific, tailored approach when it comes to developing digital infrastructure and networks.<sup>39</sup> For instance, as discussed above, the two countries should develop a tailored strategy on Indonesia, with a focus on AI. China has heavily invested in Indonesia's commercial AI sector through educational partnerships and startups, as well as advancing bilateral cybersecurity cooperation with the Indonesian government. US and South Korean approaches to Vietnam or Singapore should be different from the approach to Indonesia.

Third, the United States and South Korea should establish sector-specific working groups to engage directly with the private sectors of the two countries that already have business, or are seeking business opportunities, with Southeast Asian countries. The sector-specific working groups (e.g., a working group on 5G) could develop specific measures that facilitate bilateral coordination on enhancing digital connectivity that is more aligned with global standards and norms.

Fourth, the United States and South Korea should expand bilateral cooperation into multilateral cooperative efforts whose frameworks should be adaptable and open to structural adjustments. On a bilateral level, the two countries could consider implementing a policy platform similar to the Japan-United States Strategic Digital Economy Partnership (JUSDEP) to offer "the continued cooperation between both countries in areas such as smart cities, network infrastructure, and cybersecurity in support of a free and open Indo-Pacific."<sup>40</sup> On a multilateral level, the two countries could consider joining the Blue Dot Network or implementing a similar mechanism to promote quality infrastructure investment that is transparent, open, and economically viable.<sup>41</sup>

35 "US Reiterates Calls for S. Korea to Join Its Clean Network Against Chinese Tech," *Hankyoreh*, October 15, 2020, [http://english.hani.co.kr/arti/english\\_edition/e\\_international/965928.html](http://english.hani.co.kr/arti/english_edition/e_international/965928.html).

36 Oh, *Beyond the Peninsula*.

37 Ibid.

38 Ibid.

39 Ina Choi, et al., "Exploring Convergence between the New Southern Policy and U.S. Indo-Pacific Strategy: From Korea's Perspective," Korea Institute for International Economic Policy, December 30, 2020, [https://www.kieip.go.kr/gallery.es?mid=a20301000000&bid=0001&list\\_no=9501&act=view](https://www.kieip.go.kr/gallery.es?mid=a20301000000&bid=0001&list_no=9501&act=view).

40 "Tenth U.S.-Japan Policy Cooperation Dialogue on the Internet Economy Held," Ministry of Economy, Trade and Industry, October 18, 2019, [https://www.meti.go.jp/english/press/2019/1018\\_005.html](https://www.meti.go.jp/english/press/2019/1018_005.html).

41 "Blue Dot Network," Department of State, <https://www.state.gov/blue-dot-network/>.

**Dr. Miyeon Oh** is director and senior fellow of the Asia Security Initiative in the Atlantic Council's Scowcroft Center for Strategy and Security. She joined the Council in 2016 to craft *A Strategy for the Trans-Pacific Century: Final Report of the Atlantic Council's Asia-Pacific Strategy Task Force*. In Fall 2021, she has also been appointed director and senior faculty lead of Korea Studies at John Hopkins University's School of Advanced International Studies, where she received her PhD. She was selected as the 2017 Strategy and Policy Fellow by the Smith Richardson Foundation and was a foreign policy pre-doctoral fellow at the Brookings Institution in 2013-2014. Additionally, Dr. Oh has a significant

background in public policy and international affairs with master's degrees from both the Harvard Kennedy School of Government and Yonsei University in Korea, and public-sector experience with the United Nations and Korea's Ministry of Foreign Affairs and Trade. Her areas of expertise include global supply chains of emerging technology that is critical to national security, energy security, infrastructure development and digital connectivity in the Indo-Pacific, changing political and economic architecture in the Asia-Pacific, Sino-Russian relations, US-China strategic competition/cooperation and the Belt Road Initiative, US-Japan-ROK trilateral cooperation, and the US-ROK alliance.



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