



## THE PENINSULA

### Can Seoul Take the Lead & The Alliance Expand Its Aperture?

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Author: [Clint Work](#)

Category: [US-Korea alliance](#)



U.S. and South Korean defense authorities met for the fifty-seventh Security Consultative Meeting (SCM) on November 4 in Seoul. Conventionally, the [SCM Joint Communiqué](#) is released at the conclusion of the meeting; however, this year it was delayed, coinciding with the release of the long-awaited [Joint Fact Sheet](#) on U.S. President Donald J. Trump's meeting with South Korean President Lee Jae Myung.

In some areas, the communiqué's language reveals continuity in alliance policy. In others, the revision, removal, or reintroduction of language can indicate subtle or even significant policy shifts. To properly analyze any single communiqué, it must be placed in proper context, including in relation to other U.S., South Korean, and joint alliance statements, current and past trends in the relationship, and [previous joint communiqués](#). The following provides such contextualized analysis, specifically focused on the issue of wartime operational control (OPCON) transition and its connection to a rhetorical broadening of the alliance's regional aperture.

#### A Leading Role in the Defense of the Korean Peninsula

In the communiqué's first substantive section, South Korean National Defense Minister Ahn Gyu-Back "emphasized that the ROK will assume the leading role in the defense of the Korean Peninsula," which U.S. Defense Secretary Pete Hegseth [welcomed](#). President Lee—

in the context of self-reliant defense and striving to complete wartime OPCON transition within his term of office—has emphasized the same point.

Language on South Korea taking the lead role in the defense of the Korean Peninsula is hardly new; it goes back to [early post-Cold War U.S. regional policy initiatives](#) in the 1990s, was repeated in the [2009 Joint Vision Statement](#), and was mentioned several times over the last decade in the sections on wartime OPCON transition in [SCM communiqués](#). Rhetorically speaking, the alliance has been here before.

At the 2017 Trump-Moon Jae-in summit, both leaders [decided](#) to “expeditiously enable the conditions-based transfer” of wartime OPCON. Months later, [the 2017 SCM communiqué](#) stated that U.S. and South Korean defense authorities were going to “implement steadily” the leader-level political decision to “enable the expeditious” transfer. However, by [2019](#) only South Korean officials continued to unilaterally mention an expeditious process. While Moon administration officials [pushed for a time-based approach](#) to complete wartime OPCON transition before President Moon left office in early 2022, they failed to achieve the goal and caused pushback and frustration among U.S. officials.

Ultimately, though, the friction was fruitful. Officials learned lessons and in [2022](#) better synchronized elements of the Conditions-based OPCON Transition Plan (COTP) by aligning South Korea’s acquisition of critical capabilities with the process by which its ability to lead the combined defense posture was assessed and certified. Meanwhile, the Yoon Suk Yeol administration deemphasized taking the lead role and instead pushed intra-alliance bargaining for a more robust extended deterrence commitment.

The reemergence and prominent placement of language in the [latest communiqué](#) about South Korea taking the lead role reflects alignment between the Lee administration’s priorities and the Trump administration’s push for allies to take on a greater burden in defense spending and in military roles. It also tracks with similar language in the [joint fact sheet](#), which states: “With the support of the United States, the ROK pledged to accelerate efforts to strengthen its military capabilities necessary to lead the combined conventional defense against the Democratic People’s Republic of Korea (DPRK).” Consistent with [language used since 2020](#), the latest communiqué reaffirms that the “conditions stated in the bilaterally approved COTP must be met before wartime OPCON is transitioned,” but the use of words like “expedite” and “accelerate” in the communiqué and joint fact sheet further shows this added political impetus. Yet challenges remain.

### **The Devil is in the Details**

Within South Korea, there is widespread ignorance about COTP’s conditions—even among defense analysts—and a lingering belief that they are arbitrarily or unrealistically set. However, conditions #1 and #2—Seoul’s acquisition and development, respectively, of critical South Korean and alliance military capabilities—are quite clear and concrete, as is the three-phase process by which they are assessed and certified. But condition #3—a security environment on the Korean Peninsula and in the region that is conducive to a stable OPCON transition—is open to interpretation. Furthermore, wartime OPCON transition has been alliance policy since 2007 but has gone through [several different plans](#), including several [revisions to COTP](#) itself. Some wonder why it can’t be revised again.

Nonetheless, as noted, all indications are that COTP was refined through a contentious yet constructive process into a coherent, achievable plan. If the latest communiqué's mention of a "roadmap" to acquire the capabilities necessary to expedite the fulfillment of conditions and pursue the certification of **Full Operational Capability (FOC)**—when capability and system development is complete, all designated units or organizations have received the system, and those organizations can operate and maintain it—is geared to proactively complete COTP, and both sides are in concert, then it may be a positive sign.

However, if the "roadmap" is viewed by South Korean officials as means to cut corners on mutually agreed-upon conditions and U.S. officials are not supportive or oppose the effort, it could result in alliance frictions and another delay in a two-decades-long alliance policy. It bears note that the reason FOC certification has not occurred thus far is that Seoul has not acquired all required South Korean and alliance capabilities to lead the combined defense. Does it want certification without doing so? If so, is it prepared for the consequences of that decision?

To be fair, U.S. officials have historically approached the issue of OPCON with a "control rod" logic which, as I [describe elsewhere](#), "holds that by having a U.S. commander in the lead role (i.e. the control rod), the United States can maintain control or, more accurately, a degree of relative if still considerable influence over the security environment on the peninsula." The logic is that this ensures credibility in deterring North Korea, mitigates crisis escalation including restraint of disproportionate ROK retaliation, and, if necessary, allows the U.S. to lead in a conflict and shape an outcome consistent with U.S. interests.

At times, such logic has delayed wartime OPCON transition, and aspects of this U.S. mindset are rooted in the stark patron-client origins of the alliance and are overly hierarchical. However, U.S. reticence to move forward with wartime OPCON transition without South Korea meeting mutually agreed-upon conditions is also grounded in prudent and reasonable concerns not only about whether South Korea has acquired and integrated the proper military hardware but also whether it has the right software to lead a combined fight, to which the United States remains treaty bound.

On the South Korean side, proponents of wartime OPCON transition seem unaware of various important facts about the transition, opening the door to unintended consequences. The ROK/U.S. Combined Force Command (CFC) does not, in practice, violate either country's highest sovereign authority. The CFC Commander is a four-star U.S. officer and his Deputy Commander a four-star South Korean officer, but the CFC operates on a binational basis through established bilateral consultative mechanisms, including both countries' highest military and defense authorities, and both presidents retain their inviolate authority as commanders-in-chief of their respective armed forces.

In U.S. Joint Doctrine, operational control is not the same as command authority. It is derivative of command authority, is transferred for a specific period and mission, and consists of passing to the CFC Commander the authority to assign tasks to forces and units already deployed by both presidents, as the commanders-in-chief. The CFC Commander cannot change the mission of or deploy South Korean forces outside the area of responsibility agreed upon by both countries' commanders-in-chief. The CFC Commander is under the firm direction and guidance of both nations' political and military leaders in a consultative manner, receiving strategic guidance from the U.S. Joint Chiefs of Staff (JCS) and Secretary of Defense and the South Korean JCS and Minister of National Defense alike.

If wartime OPCON transition is complete and the alliance transitions to a South Korea-led Future Combined Forces Command (F-CFC), a four-star South Korean officer will become the Commander and a four-star U.S. officer the Deputy Commander, but the overall structure and consultative processes will remain the same. Nonetheless, it seems as though some of the South Korean political hands that are the firmest proponents of wartime OPCON transition are more interested in the optics and symbolism of the transition than they are the mechanics of the combined command. Or they may have mistaken ideas about the authority the South Korean Commander will have because of wartime OPCON transition.

### **Perception Versus Reality**

There is a longstanding tendency within South Korea to see United States Forces Korea (USFK)'s capabilities as belonging to the Korean Peninsula. Seoul's lack of speed in acquiring certain capabilities required by COTP appears grounded in the belief that it can indefinitely depend upon U.S. capabilities. With wartime OPCON transition, some in South Korea may think they will have gained greater ownership over U.S. capabilities. Not only is this incorrect, but U.S. officials may well decide that some capabilities can be moved elsewhere because of the transition. The Lee administration may hope to fast track the process, but it needs to think about how this may affect U.S. force posture and structure.

Additionally, there may be misconceptions in Seoul about what wartime OPCON transition entails regarding ROK authority over the employment of U.S. forces and capabilities in the event of a conflict. Such misconceptions should be worked through in the process of developing the alliance's operational plans for a post-transition environment. Yet if ROK authorities assert themselves in ways that run counter to U.S. joint doctrine or think they challenge national authorities that wartime OPCON transition does not effect, it may result in friction particularly during a crisis.

Additionally, the political optics of wartime OPCON transition may have powerful effects in Washington. Sovereignty (or the perception thereof) goes both ways. For years, lawmakers in the U.S. Congress have expressed reservations about putting U.S. forces under wartime OPCON of a South Korean officer, which likely explains why specific oversight language about wartime OPCON transition has made its way into the recent National Defense Authorization Act (NDAA). In an America First policy context, such sentiments are amplified. One can try to explain to a representative or senator that a South Korea-led F-CFC (like the current CFC) does not violate national sovereignty. But it looks like it does. This may not prevent wartime OPCON transition from happening, but it may result in a fundamental reconsideration of the U.S. presence and commitment in a post-transition environment.

### **It's About More than North Korea and the Korean Peninsula**

It is critical to note that following the language in the communiqué on South Korea taking the leading role, it states: "The United States and the ROK will enhance U.S. conventional deterrence posture against all regional threats to the Alliance, including the DPRK." In other words, South Korea taking a lead role in conventional deterrence of North Korea, embodied through wartime OPCON transition, appears linked, at least discursively, with enabling the U.S. conventional posture on the peninsula to better handle multiple threats to the alliance on, around, and beyond it.

The [Joint Statement](#) of the fiftieth Republic of Korea and United States Military Committee Meeting (MCM), held the day before the SCM, sent an even clearer message. Following a description of growing North Korea-Russia cooperation, it noted, “the Alliance is effectively managing the threats through a strong combined deterrence,” and “that combined deterrence extends beyond the Korean Peninsula and contributes to regional deterrence.” Furthermore, USFK General Xavier T. Brunson, Commander of United Nations Command (UNC), CFC, and USFK, released [an article](#) recently that more concretely laid out the geographic and force posture advantages the peninsula offers in relation to North Korea, Russia, and China.

This emerging and increasingly amplified language on regional threats, alongside the push for South Korea to take the lead role on the peninsula, highlights an effort to reimagine and repurpose not just U.S. forces but also the alliance's combined force posture, *not only for deterrence of multiple threats other than North Korea on the peninsula but for deterrence of multiple threats beyond it*. While U.S. officials and military officers have been sending this message in unilateral statements for years, the latest communiqué and fact sheet show the message is being featured more prominently in U.S.-South Korea joint statements.

What remains uncertain is whether the alliance is prepared for such a shift. Stating something in a high-level joint statement or communiqué does not make it so. To actualize the language examined above would require the alliance to prepare for third-party intervention during a crisis or conflict on the Korean Peninsula, a range of regional contingencies beyond it, and for how such scenarios could intertwine. Such efforts are incredibly sensitive. [North Korea](#) and [China](#)—both of which have already disparaged the latest statements—would criticize such efforts, use them to justify their own aggressive and coercive activities, and exploit differences between the United States and South Korea in the process.

Does the language in the latest communiqué represent a patchwork of unilateral statements and bilateral compromises or an integrated alliance strategy? The drivers for a South Korean lead role on the peninsula and a broadened role for the alliance's combined defense posture beyond it may be greater than ever. Yet it remains to be seen if the alliance can navigate such a shift. At root, it will require the transformation of decades-old institutions and psychologies and a fundamental renegotiation of the alliance bargain.

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*Photo from [United States Forces Korea](#).*

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Return to the Peninsula





## THE PENINSULA

### Korean Food Shaping U.S. Perceptions

Published December 3, 2025

Author: [Soobeen Park](#)

Category: [Korea Abroad](#)



South Korean President Lee Jae Myung's recent appearance on a cooking reality TV show may seem like light entertainment, but it is actually reflective of a strategic highlighting of a key facet of U.S.-South Korea relations. According to [KEI's 2025 annual survey](#), food is both the most popular aspect of South Korean culture among Americans and one of the most effective factors for promoting positive perceptions of South Korea. Unlike other cultural exports that cater to specific groups, food engages people across gender, age and political orientation, making it an inclusive and scalable cultural asset. Could food-based cultural outreach be a form of public diplomacy that strengthens South Korea's image, expands goodwill, and facilitates cooperation with the United States?

While public attitudes toward South Korea in the United States are broadly favorable, interest in food stands out among other South Korean cultural exports. KEI's 2025 annual survey shows that more than 68 percent of Americans expressed a favorability

(strongly/somewhat favorable) toward South Korea, which suggests a generally receptive public environment. Culture is viewed as a strong contributor to the positive perception of South Korea. 60 percent of respondents said South Korean culture has a positive influence on South Korea's image, while only 7 percent said it had a negative effect. Those who believe culture improves South Korea's image are much more likely to view the country favorably. Culture, therefore, serves as a meaningful entry point into national perception. When asking respondents to select South Korean cultural topics that they are interested in, food stood out, being selected by 42 percent of respondents, compared to other items including K-beauty (15 percent), movies (15 percent), and K-pop (12 percent). Among respondents interested in Korean food, almost everyone, 96 percent, held favorable views of South Korea.

Figure 1. Korean food leads all other cultural categories as the most common point of interest in South Korea among Americans.

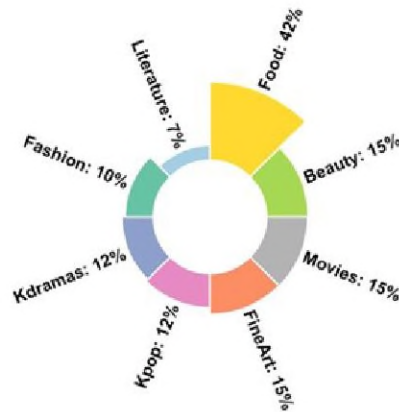


Figure 2. Among respondents interested in Korean food, 95.7 percent hold a favorable view of South Korea.



Food thus occupies a unique position: it is both the most common entry point to South Korean culture and is closely tied to positive national perceptions. This suggests that food functions not only as cultural exchange but also as a reliable and inclusive channel for building public goodwill.

**Why Food? Culinary Culture in the U.S.-South Korea Context**

Food is the most common entry point into South Korean culture for Americans. Unlike media content, food **does not require** language fluency or contextual knowledge, making it broadly accessible. In the first half of 2024, South Korea's Ministry of Agriculture, Food and Rural Affairs (MAFRA) **reported** that K-Food exports reached USD 6.21 billion, with strong growth in the U.S. market. This accessibility helps explain why interest in food is significantly higher than that of K-pop and television dramas. As South Korean cuisine spreads through restaurants, consumer products, and tourism, it reinforces cultural affinity while deepening economic ties between the two countries.

Cuisine is formally recognized as a tool of diplomacy. The U.S. Department of State's **Diplomatic Culinary Partnership**, for instance, utilizes food and the dining experience as diplomatic tools to engage dignitaries and bridge cultures. Because food is politically neutral, it can strengthen perceptions of South Korea without provoking ideological tension.

Together, these factors help explain why food may be more effective than other cultural elements in shaping U.S. views of South Korea.

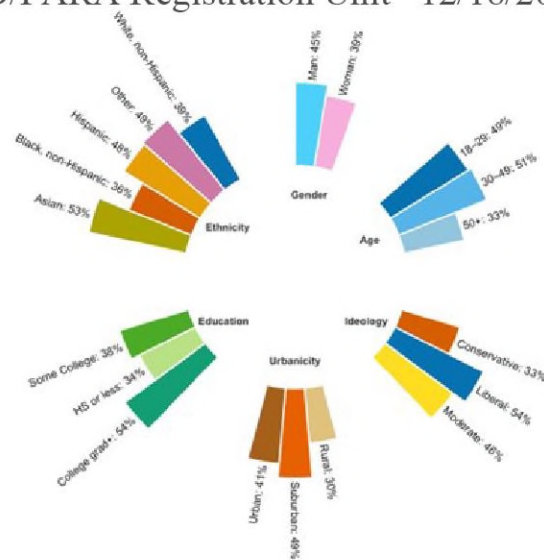
### **Which Groups Are Most Susceptible to Food-based Cultural Influence?**

According to the KEI Annual Survey, interest in Korean food varies across demographic groups of Americans. Among younger (18-29) and middle-aged adults (30-49), 51 and 49 percent of respondents reported an interest in Korean food, respectively. Americans 50 years or older had a lower interest, with 33 percent of respondents indicating an interest in Korean food. Interest in Korean food also varies along education level, with a higher proportion (54 percent) of college educated adults reporting an interest in Korean food. Among ethnic groups, 53 percent of Asian respondents reported an interest in Korean food, closely followed by Others (49 percent) and Hispanics (48 percent). White respondents (39 percent) and Black respondents (36 percent) indicated a weaker interest in Korean food.

The study finds the largest demographic differences in interest in Korean food along urbanicity. 49 percent of suburban respondents reported an interest in Korean food, followed by 41 percent in urban areas and 30 percent in rural areas. This high level of suburban interest is particularly meaningful and may reflect the significant suburbanization of immigrant and ethnic communities across the United States. As immigrant populations increasingly settle in suburban areas rather than urban cores, cultural engagement opportunities may also be shifting **outward** to these more **diverse** and dynamic communities.

Along political lines, the interest for Korean food is significantly more prevalent among liberals than conservatives. 54 percent of liberal respondents indicated an interest in Korean food, while 33 percent of conservative respondents reported the same, making up a difference of 21 percent.

Figure 3. Percent of Americans Who Expressed Interest in Korean Food Across Demographic Groups



## Conclusion

The survey findings show that food is not just a cultural product, but it also aligns with—and possibly shapes—public attitudes toward South Korea. Unlike other cultural exports that may appeal to specific demographic or political groups, food generates broad, positive perceptions of South Korea among Americans, creating a durable base of goodwill that supports bilateral cooperation even during policy shifts.

Food also acts as a social buffer that helps stabilize the U.S.-South Korea relationship beyond high politics. When Americans view South Korea favorably, it becomes easier to sustain partnerships, promote tourism and consumer demand, and maintain public support for the alliance, especially when political issues become sensitive.

These advantages underscore the importance of using food more strategically in public diplomacy. Integrating cuisine into cultural festivals, tourism campaigns, and community programs can turn everyday interest into lasting engagement. Partnerships with chefs, restaurants, and local organizations can reach audiences that traditional diplomacy may overlook. By complementing existing cultural and official channels, food provides South Korea with an opportunity to strengthen its image and long-term cooperation with the United States.

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*Photo from [Wikimedia Commons](#).*

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Return to the Peninsula





## THE PENINSULA

### **A National Security Strategy of Retreat Leaves Asia to Manage the Consequences**

Published December 9, 2025

**Author:** [Daniel Sneider](#)

**Category:** [Indo-Pacific](#)



The Donald Trump administration's much-awaited [National Security Strategy](#) (NSS) landed last week with an audible thud.

The somewhat truncated document is an odd combination of social media-style triumphalism and an effort to lay a strategic veneer on the administration's often chaotic and contradictory policies. But the document clearly expresses an America-First view of the world, a combination of isolationism and U.S. primacy that places allies and partners near the bottom of the priority list.

Much of the strategy's attention is on the [assault against Europe](#) and the dismissal of both the NATO alliance and European unity in favor of supporting right-wing ethno-nationalism. In homage to the nineteenth century, U.S. control of the Western Hemisphere—in the name of a “Trump corollary” to the Monroe Doctrine—has regional priority.

But in Asia, the NSS offers a strange marriage of two historical moments, both still controversial.

One is the infamous [Acheson Line](#), a reference to the speech delivered by then Secretary of State Dean Acheson in January 1950, drawing a U.S. defense line along the island chain from Alaska through Japan to the Philippines, notably excluding the Korean Peninsula and

Taiwan. It was a declaration that many believe convinced Stalin to give the green light to Kim Il Sung to invade South Korea, igniting the Korean War.

Trump's NSS describes a new Acheson Line, the so-called First Island Chain, presented as the first line of defense in the Pacific. Bizarrely, it contains no mention of either North Korea and its nuclear arsenal or even the Korean Peninsula.

This is combined with a revival of President Richard Nixon's equally infamous **Guam Doctrine**. Amid the waning days of the Vietnam War, Nixon told reporters during a 1969 tour of Asia that while the region was important to the United States when it came to military defense, "the United States is going to encourage and has a right to expect that this problem will be handled by, and responsibility for it taken by, the Asian nations themselves." One product of this doctrine was the withdrawal of the **7th Infantry Division** from South Korea, a decision that shook confidence in the U.S. security commitment.

The message of this NSS echoes Nixon's. It demands not only vastly increased defense spending from South Korea and Japan, as well as other partners such as Taiwan and Australia, but also that they assume the roles the United States currently plays in defending regional security, now defined as the First Island Chain. Their own defense gets no mention. As the NSS puts it: "Given President Trump's insistence on increased burden-sharing from Japan and South Korea, we must urge these countries to increase defense spending, with a focus on the capabilities—including new capabilities—necessary to deter adversaries and protect the First Island Chain."

The NSS makes it clear that the United States will stand aside and ask its allies to take on the task of defending the Pacific and Europe. "The days of the United States propping up the entire world order like Atlas are over," the document pronounces. The United States will now ask "allies to assume primary responsibility for their regions," while presumably still beholden to the United States' whims and desires.

As Secretary of Defense **Pete Hegseth** stated last week, Trump prefers "countries that help themselves...rather than dependencies." Those that spend more are "model allies"—for now, South Korea is on that list, but Japan is not—but "allies that do not, allies that still fail to do their part for collective defense, will face consequences." It was not explicitly stated, but the withdrawal of U.S. security guarantees appears to be on the table.

### **The Retreat from Values and Strategic Competition**

The two previous national security strategies, one issued during the first Trump administration and one by the Joe Biden administration, were shaped around the concept of strategic competition with China and Russia. The new document almost completely abandons this driving idea.

Instead, "it prioritizes threats from the Western Hemisphere, European civilizational decline and overregulation, and trade deficits but says nothing about the Russian threat to U.S. interests and views China almost entirely through the lens of economic security," argued **Thomas Wright**, a former national security official under the Biden administration.

Evans Revere, a former principal deputy assistant secretary of state for East Asian and Pacific affairs, offered this scathing summary of the NSS.

“This is not so much a national security strategy document as it is a screed telling America’s allies, partners, friends, and adversaries that the United States they once knew is gone. Gone are the priorities, principles, beliefs, and assumptions that underpinned U.S. strategy and diplomacy for most of the past 80 years during both Democratic and Republican administrations. Gone is the belief in a U.S.-centric international economic and security order based on American predominance, power, alliances, and defense commitments. And gone is the belief, once deeply shared across every previous U.S. administration, that America’s destiny was to promote a core set of values, including democracy, freedom, and equity, in cooperation with like-minded allies and partners.”

Media in South Korea and Japan echoed these concerns. “Trump administration formalizes strategy of isolationism based on US interests,” **headlined a commentary** in the progressive *Hankyoreh*. The editor of a major Japanese paper told this author that he took the NSS “as another statement of America in retreat” that “reconfirms that the entirety of US national core interest is defined as commercial benefit.”

The editor argued that the Trump administration appears to believe that “authoritarianism can be acceptable in the name of sovereignty, and effective foreign policy is conducted only by strong leadership” or “strongmen” like presidents Trump, Xi Jinping, and Vladimir Putin.

“America’s abandoning of its self-position as a leader of free world is obvious in this NSS,” the Japanese editor opined.

### **The China Question**

Some have **taken solace** in the fact that while the NSS prioritizes the homeland and the Western Hemisphere, it does give some length to discussing China. There are elements of traditional approaches and policy continuity, particularly an embrace of military deterrence and a reaffirmation of support for the status quo in the Taiwan Strait.

But the entire section on China is focused on economic and commercial relations, with the clear suggestion that the two countries can reach a more equitable division of the global economy and presumably the spoils of commerce.

“We will rebalance America’s economic relationship with China, prioritizing reciprocity and fairness to restore American economic independence,” says the NSS. “Trade with China should be balanced and focused on non-sensitive factors.”

“The Trump admin believes in the possibility of a mutually advantageous economic relationship with China,” wrote Michael Sobolik, a senior fellow at conservative Hudson Institute, on **December 5**.

Trump’s NSS makes no mention of the war against Ukraine or China’s support for Russian aggression, much less China’s military and nuclear buildup. Not only does North Korea drop out of the national security policy, but the entire goal of denuclearization is also gone, perhaps reflecting a growing acceptance of North Korea as a nuclear state.

Even though Taiwan occupies a link on the First Island Chain, the focus is almost entirely on preserving its role in the electronics supply chain. “Asia is important because of its growing GDPs, and Taiwan must be defended for semiconductors and sea lanes,” wrote the veteran Japanese newspaper editor.

Two recent developments seem to manifest this view of Asia. One has been Trump's apparent decision to effectively ignore China's increasingly aggressive—including **military confrontations** in the skies—response to Japanese Prime Minister Sanae Takaichi's remarks about the potential impact of a crisis over Taiwan on Japan's security. Indeed, the *Financial Times* and *Wall Street Journal* **both reported** that Trump, after talking to Xi, may have urged Takaichi to back off.

Perhaps more importantly, Trump has cleared the way for a **dramatic easing of export controls** on the sale of high-powered Nvidia semiconductors to China, effectively putting commerce over security. Ironically, perhaps the NSS also calls for allies like South Korea and Japan to prioritize trade with the United States over China.

"In Europe, we are afraid that Donald Trump's America may be selling us out to Russia," **wrote former *Economist* editor Bill Emmott**. "In Japan, where I have just been, the fear is of Trump selling them out to China."

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*Feature image from [DVIDS](#).*

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Return to the Peninsula



## THE PENINSULA

### **Ensuring Long-Run Fiscal Sustainability in South Korea**

Published December 11, 2025

**Author:** [Randall S. Jones](#)

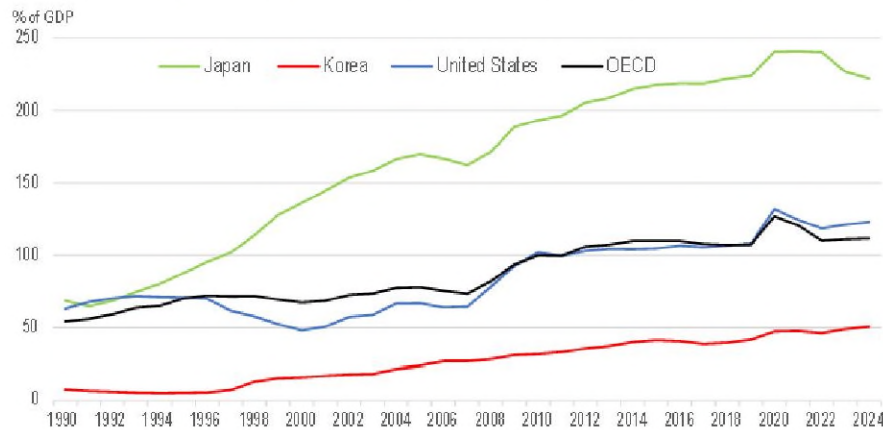
**Category:** [Economic Security](#), [Economics](#), [Indo-Pacific](#)



South Korea's fiscal position remains stronger than most advanced economies, but the foundation beneath that stability faces significant challenges. Years of disciplined budgeting kept public debt low and enabled the government to maintain steady surpluses throughout the 2010s, even as social spending expanded. Korea now faces a more challenging outlook, shaped by rapid population aging, slower economic growth, and a declining labor force. While the fiscal trajectory still appears manageable, Korea faces widening long-term risks, especially in the absence of a durable framework to guide policy as demographic pressures intensify.

Between 1990 and 2024, the Korean government's gross debt rose gradually from 8 percent of GDP to around 50 percent (Figure 1). It remains far below the OECD average of 110 percent and the United States at 122 percent. Korea's relatively sound fiscal position reflects its focus on balanced budgets—until recently—and its relatively young population, which has limited public spending on health, long-term care, and pensions.

**Figure 1. Korea's government debt remains low compared to the OECD average**



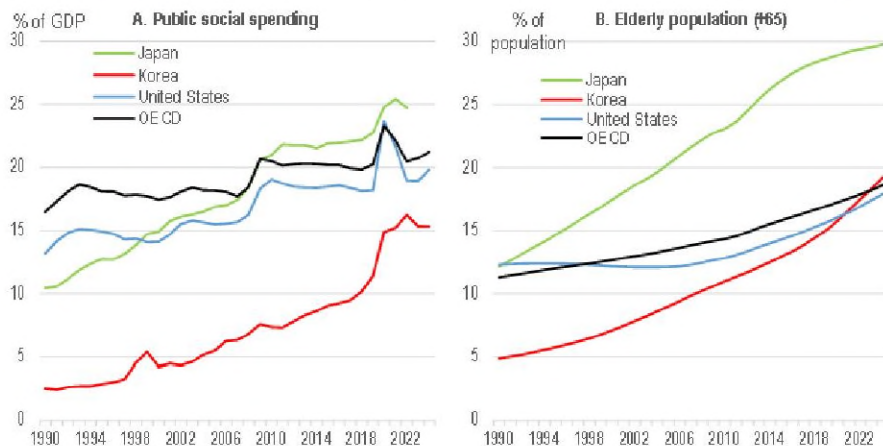
Note: General government debt in gross terms. OECD estimates in 2024 for Korea, Japan, and the OECD average. Source: [General government debt | OECD](#)

**Despite rising public social spending, Korea's fiscal balance was consistently in surplus until the pandemic**

Korea's government expenditure increased significantly from around 14 percent of GDP in 1990 to 37 percent in 2023 (on a general government basis). As in other high-income countries, rising public social spending has accounted for much of the upward trend in government outlays in Korea. Indeed, it grew from 2.5 percent of GDP in 1990 to more than 15 percent by 2023 (Figure 2, Panel A). The increase was the largest in the OECD after Japan and was much greater than the OECD's average four percentage-point rise.

Rising public social spending was driven to a significant degree by population aging. The share of Korea's population aged sixty-five and above rose from 7 percent in 1990 to 19 percent in 2023 (Panel B), more than double the average increase of 7 percentage points across the OECD.

**Figure 2. Korea's public social spending has risen sharply, due in part to population aging**

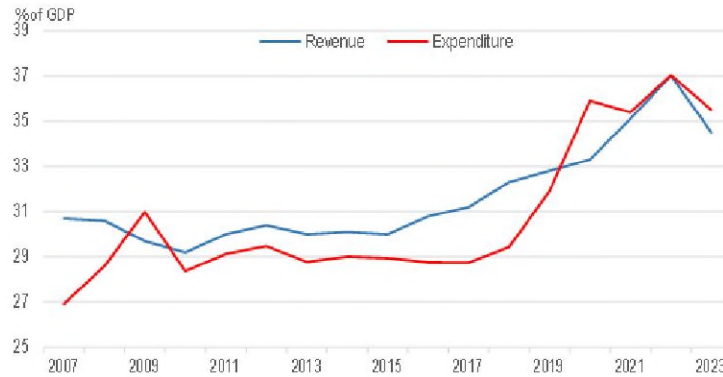


Source: Panel A: [OECD Data Explorer - Social expenditure aggregates](#); and Panel B: [Population ages 65 and above \(% of total population\) | Data](#)

Nevertheless, the government budget remained in surplus between 2010 and 2019 (Figure 3). However, in 2020, a 13.4 percent hike in outlays to support demand and reduce poverty during the COVID-19 pandemic led to a significant budget deficit (2.6 percent of GDP). In 2022, the government proposed a fiscal rule that would limit the “managed fiscal deficit” (i.e., excluding social security, which remains in surplus) to **3 percent of GDP** to promote fiscal sustainability and curb the rise in government debt.

The deficit limit would drop to 2 percent if government debt exceeded 60 percent of GDP. The proposed rule includes an escape clause that allows authorities to respond to major shocks. However, the National Assembly never approved the proposed fiscal target.

**Figure 3. Korea’s general government fiscal balance remained in surplus throughout the 2010s**



Source: [General government spending | OECD](#) and [General government revenue | OECD](#)

Korea’s overall fiscal balance has remained in deficit since 2020 (Figure 3). In addition, the managed fiscal deficit has stayed above the 3 percent limit since the fiscal rule was proposed, surpassing 4 percent of GDP in 2024 (Figure 4). Although the government previously committed to abide by the fiscal rule in 2025, the managed fiscal deficit is likely to be even higher this year. During the first three quarters of 2025, the managed fiscal deficit rose to KRW 102.4 trillion, the largest recorded for the January–September period since 2020. Total government spending is projected to rise by more than 10 percent in 2025, boosted by two supplementary budgets.

**Figure 4. The managed fiscal deficit has remained above the 3 percent deficit limit**



Note: The managed fiscal deficit excludes social security, which remains in surplus due to Korea’s immature pension system, which is still accumulating funds. The government proposed the 3 percent deficit limit in 2022. Source: [Economic Bulletin, November 2025 – KDI – Korea Development Institute – RESEARCH – Periodicals – Economic Bulletin](#)

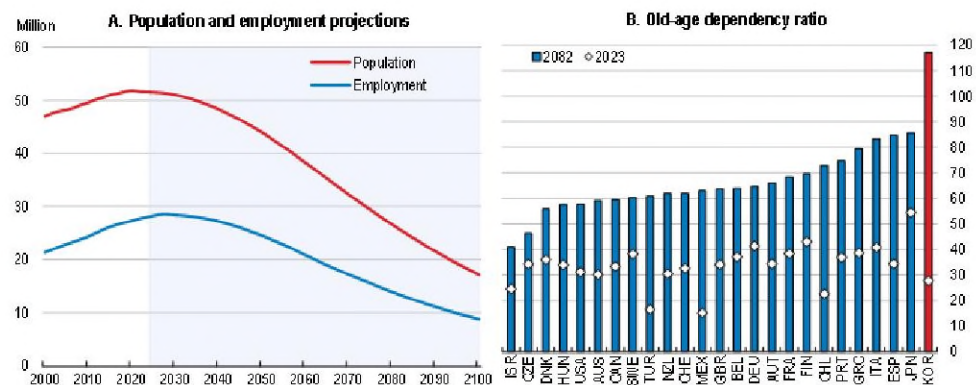
The 2026 budget, announced last August, contains an 8.1 percent increase in spending that reflects the Lee Jae Myung administration's objective of using public investment as a catalyst to revitalize the economy. Innovation and technological leadership, particularly in AI, are key priorities. Government research and development (R&D) expenditures are **expected to rise** by 19.3 percent in 2026, while industrial policy spending will increase by 14.7 percent. The government has launched an **AI master plan** that includes thirty flagship projects in robotics, smart factories, and semiconductor development.

### Rapid population aging will push up public social spending

Korea's population and labor force are projected to decline by roughly two-thirds by the end of the century, assuming that the total fertility rate (around 0.7), net immigration inflows (30,000 per year), and employment rates by gender and five-year age cohorts remain at their current levels (Figure 5, Panel A).

The shrinking population will also be considerably older. Currently, Korea's old-age dependency ratio (the number of individuals aged sixty-five and over per person aged twenty to sixty-four) is below the OECD average at 28 percent, implying 3.6 working-age individuals per person aged sixty-five and over (Panel B). Korea's ratio is projected to rise to 117 percent in 2082 (0.85 working-age individuals per person aged sixty-five and over), even assuming that the fertility rate converges to 1.85.

**Figure 5. Korea's population and employment are projected to decline significantly, while the old-age dependency ratio rises**

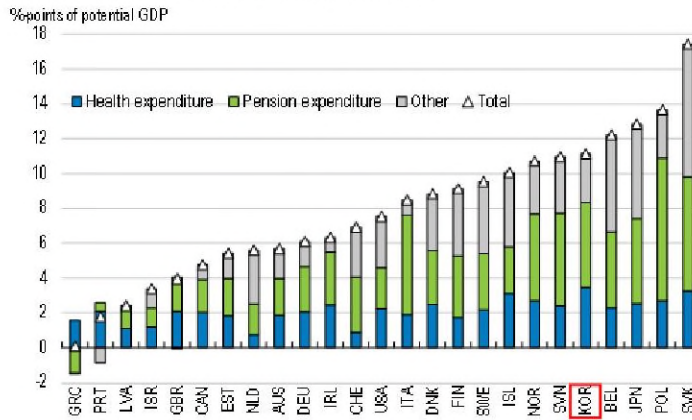


Note: Panel A assumes that employment rates by age group, the total fertility rate (around 0.7), and net immigration inflows (30,000 per year) remain constant at current levels. Panel B assumes that the total fertility rate in all countries eventually converges to 1.85 children per woman, a medium-variant forecast from the United Nations' World Population Prospects. The old-age dependency ratio is defined as the ratio of individuals aged sixty-five and over to those aged twenty to sixty-four. Source: [OECD Economic Surveys: Korea 2024 | OECD](#).

Public social spending is projected to increase by 11 percentage points of GDP between 2021 and 2060, boosting the total to approximately 26 percent of GDP. Pensions and healthcare will account for about three-quarters of the increase. Healthcare spending, including insurance payments and patient co-payments, for persons aged sixty-five and older increased by 39 percent between 2020 and 2024 and now accounts for **nearly half of healthcare spending** in Korea. Consequently, aging puts **long-term fiscal sustainability at risk**.

**Figure 5. Public social spending in Korea is projected to increase rapidly**

Change in expenditure between 2021 and 2060



Source: OECD Economic Surveys: Korea 2022 | OECD

### Improving Korea’s fiscal framework

Korea needs an improved fiscal framework to better align short-term fiscal policy with long-term aging challenges. Adherence to the proposed rule of limiting the managed fiscal deficit to 3 percent of GDP would strengthen Korea’s public finances considerably in the long term. **The OECD’s Spending Better Framework** includes setting fiscal rules and objectives, producing medium-term fiscal forecasts based on objective economic assumptions, preparing multi-year expenditure baselines (usually three to five years), and adopting top-down expenditure ceilings. The fiscal framework will need to include new sources of revenue in the long run to finance the costs associated with population aging. One key source of additional revenue should be an increase in the value-added tax, which is currently set at 10 percent, about half of the OECD average.

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*Photo from the [South Korean Presidential Office](#).*

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