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TRUMP'S POLICIES IN CONFLICT:
IMMIGRATION, INVESTMENT
AND TARIFFS

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트럼프의 모순된 정책들: 이민·투자·관세를 중심으로

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The U.S.-South Korea alliance and economic partnership has been built over the decades on immigration and investment as much as on military cooperation, troop presence, and joint efforts to deter North Korea. The recent tightening of immigration enforcement by the United States that resulted in the [arrest of 318 Korean citizens at a Hyundai-LG battery plant](#) in Georgia on September 4, along with the ongoing [negotiations to reduce tariffs on Korean goods](#) and requests for Korea to hand over [80 percent of its currency reserves \(\\$350 billion\)](#) in an investment agreement, have put intense pressure on the bilateral relationship. Collectively, these actions suggest that current U.S. policy decisions are testing the foundational economic and social pillars of the longstanding U.S.-South Korea partnership.

이러한 조치들은 미국의 현 정책
결정들이 오랜 한미 동맹의 근저에
놓인 경제적·사회적 기반을 시험대에
올려놓고 있음을 시사한다

Immigration

The history of Korean immigration into the United States is an American success story and built on legal immigration. Consequently, the immigration policies of the Trump administration targeting illegal immigration did not appear aimed at South Korea. In the wake of the lifting of quotas in the 1965 Immigration Act, and followed by a loosening of the Korean government's restrictions on travel and access to passports [in the 1970s, Koreans, largely educated and oftentimes with enough capital to start small businesses on arrival in the United States, started immigrating at over 100,000 per year.](#) Twenty years of such legal, high volume, and successful immigration produced the current population of 3.5 million Korean Americans. While immigration has slowed in recent years, [Korea sends the highest per capita number of students to study in the United States each year \(average over 50,000 each year for the last twenty years\)](#) and almost two million tourists each year, amounting to [a significant amount of money for tourism and education \(over \\$10 billion/year\).](#) Additionally, Korean companies have turned away from China for high tech manufacturing, and have invested over [\\$100 billion](#) in the United States in the last three years to establish chip, battery and other manufacturing plants. As such, the longstanding pattern of South Korean immigrants contributing to the United States as law-abiding citizens continues.

Despite this pattern and the related ongoing benefits that Koreans and Korean companies offer to the U.S. economy, the highest profile and largest mass arrest in the second Trump administration occurred at the Hyundai-LG plant on September 4 in Georgia when ICE detained 475 workers, including over 300 Koreans,

9 월 4 일 이후 외교적 협의를 통해 한국의 우려를 완화하고 추가적인 투자 위축 사태를 방지하려는 노력이 이어지고 있지만, 이민 관련 규정이나 국토안보부(DHS) 및 트럼프 행정부 고위 당국자의 이민세관단속국(ICE) 단속 지침에는 아무런 변화도 없다

at the battery plant. While [diplomatic coordination since September 4 has sought to assuage Korean concerns](#) and avoid any further incident that could affect Korean investments into the United States, there have been no changes to either the relevant immigration rules or the directives from DHS and top Trump officials regarding ICE agents' practices. The chance that further arrests of skilled Korean workers at one of the many factories Korean companies are

building throughout the country could occur again is not insignificant. In addition to the eagerness of local ICE officials to fulfill their deportation quotas, this risk stems from the fact that the visa rules and regulations are intentionally (or seemingly so) vague to allow for a wide variety of legal business activities to include installation of equipment and factory set up. Moreover, many of the Korean workers in the United States setting up Korean factories are [sub-contractors or even sub-sub-contractors](#) and may or may not have the clearest understanding of the visa mandates or the distinction between a B1 business visa and the more limited ESTA visa waiver program.

While the [United States and South Korea have agreed diplomatically that the type of work conducted in Georgia does fit](#) within the parameters of the B1 visa, there are several challenges. Korean companies under more and more pressure to complete construction quickly in order to sell their products, tariff-free in the U.S. market. They might therefore have incentives to send workers on ESTA

한미 양국은 조지아주에서 수행된 업무가 B1 비자 규정의 범주 내에 포함된다는 점에 외교적으로 합의했지만, 실제 운영 과정에서는 여전히 여러 가지 현실적 어려움이 존재한다

or via the visa waiver program because some of the workers, lacking the stamp of approval from a known employer such as Hyundai, Samsung, or SK, could fail to receive a B1 visa during the interview process. This decision might stem from a lack of understanding of the distinction between sending workers to the United States via ESTA or via the B1 visa. Companies might also pursue the more stable and long-term work visa related to their investments (e.g., applying for a longer-term work visa rather than a short-term business B1 visa), generally to secure the right managers or skilled engineers to work in the United States long-term. However, the lack of skilled workers in the United States and even non-skilled labor could lead companies to continue to send Koreans to do short-term contracted or sub-contracted work to get their highly automated factories up and running as quickly as possible. (Note: [one source has reported](#) that over half of the U.S. applicants for non-skilled labor positions failed drug tests.)

Investment

Under the Biden administration, [the U.S. government incentivized massive Korean investment in U.S. manufacturing through the IRA and the CHIPS Act](#) that offered significant rebates to Korean companies. Additionally, [U.S. states competed \(and still do compete\) to lure Korean investment and the thousands of jobs that accompany such multi-billion-dollar investments with tax and regulatory incentives](#). The “carrot” strategy helped push Korean companies, which were already [moving out of China because of retaliations against Korea over the deployment of the Terminal High Altitude Area Defense \(THAAD\) system](#), to move production to

트럼프 대통령은 바이든 행정부 시절의 인센티브 제도를 종료하고, 관세 부과와 추가 투자 요구라는 ‘채찍’ 전략을 통해 투자 확대를 유도하는 방식으로 전환하기로 결정했다

the United States and Southeast Asia, in order to accelerate and increase investments. Trump has decided to sunset the Biden-era incentives and use sticks rather than carrots to boost investment by imposing tariffs and demanding additional investment in order to reduce the tariffs to lower levels.

The risk of the Trump approach is that South Koreans could start souring on the relationship economically, decelerating their investment decisions and implementation. Korean students could start to decide to study in other countries such as Australia and Canada and take their [\\$2 billion dollars a year spent on education in the United States](#) each year with them. Worse still, his policies could slow the deepening cultural connections between our two countries that have led to more and more collaboration in movie, television, and music. However, the most potential significant impact of the Trump approach is that the Korean government could drag their feet and start making security coordination more complicated or difficult. Advisors such as Laura Loomer and Steve Bannon near Trump have [painted the current Korean president as a “communist” and friendly to China](#).

그러나 트럼프식 접근법이 초래할 가장 중대한 잠재적 영향은, 한국 정부가 협력에 소극적으로 변하며 안보 조율을 더욱 복잡하고 어려운 국면으로 몰고 갈 수 있다는 점이다

The policies of the Trump team will not transform Lee Jae Myung into a communist, but may encourage [Lee to adopt more China-friendly policies](#) or at least seek to balance the relationship with China with the relationship with the United States, especially in economic terms. However, because [the vast majority of the Korean people are strongly pro-American](#) and understand that the United States is the most important country for them in

both security and economic terms, there is not much room for Lee to move away from the United States without losing support from a vast majority of Koreans across the political spectrum.

Alliance

If in fact Lee is unable to change policy, what can he do? How can he respond to the Korean people who do not understand why, [with a free trade agreement in place, the United States has slapped tariffs on Korean goods?](#) The answer lies in how the Korean government frames the alliance. [Korea will remain a strong partner in building the trilateral relationship with Japan because it is in Korea's interest to do so.](#) However, if the United States asks Korea to participate more in NATO or South China Sea-related exercises, Korea may become more reluctant, not because of a turn toward China, but because in the past, Korea participated in international exercises or even to deploy to Iraq or Afghanistan primarily in response to requests from the United States.

[Cooperation and coordination at the UN and other international organizations could suffer given the tariff and immigration policies of the Trump team.](#) How that plays out may not have short-term visible consequences and for this administration, which does not value multilateral institutions. However, over time, Korea could

**장기적으로는 한국이 AI 관련 규제에서 유럽
친화적 접근을 취하거나, 미국이 특정 방식으로
투표하도록 압력을 가하지 않는 한 중국이나
러시아의 요구와 균형을 맞추려는 노선을 취할
가능성도 있다**

take a more European-friendly approach to AI-related regulations, or try to balance Chinese or even Russian demands absent pressure from the United States to vote one way or another. Without U.S. pressure, Korea could start to vote on personnel-related issues at the UN in a way that is more favorable to China or at least in a way that does not take into account U.S. preferences.

Overall, the Trump approach to tariffs and immigration enforcement may not fundamentally alter the trajectory of the bilateral relationship. Koreans will likely remain pro-U.S. even as they become more anti-Trump and continue to be anti-China and skeptical of Russia. Therefore, the alliance should withstand Trump's attempts to extract more from Korean companies. But management of alliance-related issues could become more contentious and frustrating as Korean government officials seek ways to stand up to Trump without turning their back on the alliance.

Yet, if there is another Georgia-esque crackdown on legal or mostly legal Korean workers, or if Trump supporters continue to paint Lee as anti-American, significant friction could emerge that could have a more fundamental effect on the relationship. Add to this attempts by Trump to reach out to North Korea without coordinating with South Korea, and the potential for a 2008-esque popular movement when millions of Koreans protested the opening of the

Korean market to U.S. beef in Korea is non-zero. I would expect such protests not to be anti-U.S. per se. Rather, they would underscore the Korean viewpoint that, despite support for investment in the United States

**그러나 만약 조지아 공장과 유사한 합법 혹은
준(準)합법적 한국 근로자에 대한 단속 사태가
다시 발생하거나, 트럼프 지지자들이 이재명
대통령을 반미 인사로 규정하는 공격을
지속한다면, 양국 관계의 근본을 흔드는 심각한
마찰이 불거질 수 있다**

and the importance of the U.S.-ROK alliance, there is only so much the United States can ask before the Korean people say “enough.”

The ROK-US Policy Brief is a joint publication between the Seoul National University Institute for Peace and Unification Studies (IPUS) and The George Washington University Institute for Korean Studies (GWIKS) dedicated to exploring current Korea-related policy matters within regional and global contexts.

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