

# THE NEW SOUTHERN POLICY

Catalyst for Deepening  
ASEAN-ROK Cooperation



Institute of Strategic and  
International Studies  
(ISIS) Malaysia

*Edited by*  
**Hoo Chiew Ping**



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## Foreword

President Moon Jae-In's 2017 New Southern Policy (NSP) is more South Korea's strategic refocus on ASEAN than a pivot. In 1989, during the closing stages of the Cold War, President Roh Tae-woo began pursuing a hyperactive foreign policy. His signature *Nordpolitik* ended decades of deep freeze with China and the (then) Soviet Union, North Korea's strongest allies. That same year, by initiating sectoral dialogue relations and establishing an ASEAN-Korea Cooperation Fund (AKCF), Roh also reached southwards to ASEAN. That was when South Korea's 'pivot' to Southeast Asia began.

In the three decades that followed, South Korea's engagement with ASEAN expanded and deepened. It became a full ASEAN Dialogue Partner (1991), began participating in the ASEAN Regional Forum (ARF, 1994) and supported the establishment of the ASEAN Plus Three (APT) process (1997/99), East Asia Summit (EAS, 2005) and ASEAN Defence Ministers' Meeting Plus (ADMM-Plus, 2010). A series of bilateral trade and investment agreements were also concluded from the mid- to late-2000s, culminating in an ASEAN-Korea Free Trade Agreement (AKFTA) that went into effect in 2010. ASEAN dialogue relations were upgraded to a strategic partnership that same year.

All these developments do not mean that Korea and ASEAN are newly found Best Friends Forever (BFF). While these advancements are low-key and happened without much public fanfare or awareness, it is indisputable that economic, political and social ties between South Korea and ASEAN have been strengthening consistently. The ties build on the past and do not divert from it. Furthermore, the NSP is being implemented systematically and pragmatically. Whether South Korea will have the capacity to engage ASEAN along similar lines as the European Union remains to be seen and it probably depends more on ASEAN than South Korea. Going by the last three decades, it does seem certain there will be progress and positive outcomes.

In the past, it was easy to be jaded with grand geopolitical schemes, but nowadays some of these schemes have proven to bear controversial and deeply divisive effects. Many are unprepared to openly admit to the severity of major power competition in our region. We are starting to witness negative tit-for-tat actions that may be precursors for more hostile actions in the future. Not many are paying attention to whether, when and how these trends can be pulled back from the brink. While not in

the same league as the aforementioned geopolitical schemes, the NSP is relatively free from divisiveness and is one of relatively few regional peacebuilding initiatives that are active.

When this project was first conceived by Dr Hoo Chiew Ping, Korea Foundation Fellow with the Institute of Strategic and International Studies (ISIS) Malaysia, it was intended as a substantial Track Two contribution towards the NSP and the 3rd ASEAN-ROK Commemorative Summit. Given what is presently happening to regional stability, the highly commendable efforts of Dr Hoo, her team and the contributors to this project are turning out to be more prescient and relevant than originally envisaged.

**Dato' Steven C.M. Wong**

Member

Malaysia Scholars on Korea (MASK) Network

Former Deputy Chief Executive and Board Member

Institute of Strategic and International Studies (ISIS) Malaysia, 1983-2019

August 2020

## *Congratulatory Remarks*

Held immediately before the 3rd ASEAN-ROK Commemorative Summit and the 1st Mekong-ROK Summit, the ISIS Malaysia Forum on Korea provided a timely and relevant opportunity to evaluate 30 years of ASEAN-ROK relations and discuss the way forward. The Forum's agenda included: infrastructure diplomacy, maritime connectivity, Mekong-Korea cooperation, cybersecurity, economic activities, ASEAN and the two Koreas. The discussions of each agenda item were focused, with intensive and substantive input from the panels. In addition to participants from the Republic of Korea (ROK, hereafter South Korea) and ASEAN Member States (AMS), there were American and Chinese participants presenting their perspectives, which balanced and diversified the discussions. Perhaps a Japanese viewpoint can be considered in future discussions.

It was extremely encouraging to witness ASEAN's increased interest in and expectations of ASEAN-ROK relations and the New Southern Policy (NSP). To promote deeper understanding of the contents and directions of the NSP, remarks from the Presidential Committee on the NSP were delivered, followed by related discussions. More in-depth research is required on specific areas of ASEAN-ROK cooperation to facilitate more constructive and focused deliberations.

ASEAN's roles in the Korean Peninsula peace process and Mekong cooperation were discussed extensively during the Summit. The Choson Exchange presentation on the Democratic People's Republic of Korea (DPRK, hereafter North Korea) projects shared its experiences on how to engage with North Korea and was a meaningful and useful perspective on the country. Our dialogue concluded that ASEAN should play a larger role in the peace process. The AMS need to determine the contributions they will make at the individual state and also regional levels. South Korea should also clarify its expectations of ASEAN as to its role and contributions.

It was notable that Mekong-Korea cooperation was on the agenda of the Forum. The Mekong region is becoming a hotspot where strategic competition between the major powers is escalating. Mekong-Korea cooperation has a short history. In fact, it was in September 2019, during his visit to Laos, when President Moon Jae-in announced the Korea-Mekong Vision and elevated the Korea-Mekong cooperation mechanism from foreign minister level to summit level. However, South Korea shares

more similarities in political and economic development with the Mekong countries than any other major power. The Forum provided a timely opportunity for South Korea to elaborate on its cooperation with the Mekong region, its historical relationships with the Mekong countries and the way forward.

While Mekong cooperation is considered a significant issue on ASEAN's integration agenda, ASEAN can take more initiative in promoting Mekong cooperation. Perhaps the participation of the Mekong-ROK Cooperation Fund (MKCF) Coordinator from Mekong Institute or other experts in future discussions will lead to in-depth discussion of ASEAN strategy in the Mekong region.

Subsequent to the Forum, the 1st Mekong-ROK Summit clarified South Korea's vision on Mekong cooperation and outlined projects to be pursued. South Korea will further develop this cooperation mechanism with the Mekong countries and ASEAN in accordance with the goals of the Mekong-Han River Declaration for Establishing Partnership for People, Prosperity and Peace.

The most significant achievement of the Forum was the establishment of an expert network on ASEAN-ROK relations, which will lead to further discussions on specific issues.

The Forum served as an important platform to exchange expectations and perspectives on the NSP. We must continue our discourse on the challenges and ways forward to strengthen the ASEAN-ROK relationship.

**Ambassador Kim Young-sun**

Visiting Research Fellow  
Seoul National University Asia Center (SNUAC)

Former Secretary General  
ASEAN-Korea Centre, 2015-2018

## *Preface and Acknowledgements*

Relations between the Republic of Korea (ROK, hereafter South Korea) and Southeast Asia have come into their own, especially when compared to China's and Japan's relations with Southeast Asia. While Japan has been recognized as the Northeast Asian country with the longest involvement with Southeast Asia (under the Fukuda Doctrine), South Korea's persistent and proactive efforts have finally borne fruit after decades of engagement, with the political will to match, culminating in the Moon Jae-in administration's New Southern Policy.

We sincerely hope this volume on ASEAN-ROK relations will make further contributions to those already made by past publications.

Among the earliest volumes on ASEAN-ROK relations were those published by the Institute of Southeast Asian Studies (ISEAS) Singapore, now known as the ISEAS-Yusof Ishak Institute. With support from the ASEAN-ROK Special Cooperation Fund and later Korea Foundation, ISEAS collaborated with the Korean Institute of Southeast Asian Studies (KISEAS) and the Korean Association of Southeast Asian Studies (KASEAS) to provide overviews of ASEAN-ROK's trade, economic relations and labour issues. Southeast Asian experts who were invited to contribute are often ASEAN-Japan specialists too, for example, Professor Lee Poh Ping in the earlier days, and later, Dr Md Nasrudin Md Akhir, both from Malaysia.

Under the leadership of Ambassador Kim Young-sun, the third Secretary General of ASEAN-Korea Centre from 2015 to 2018, the Centre actively supported numerous projects to study the partnership in depth, resulting in a significant increase in the number of publications on bilateral and multilateral relations, from both Korean and ASEAN perspectives.

The most comprehensive compilation of articles on ASEAN-ROK relations, providing historical and contemporary context with coverage of both bilateral and multilateral dimensions, is the volume published by KISEAS and KASEAS in 2015 to commemorate 25 years of partnership. This project was originally intended to provide updates by Southeast Asian scholars and to acknowledge the Korean experts working on Southeast Asia. However, due to time constraints, the project focused instead on

the major themes relevant in the context of the New Southern Policy and those not covered by other volumes on ASEAN-Korea to provide a forward-looking perspective on ASEAN-ROK relations.

The first book on the New Southern Policy was published by Sejong Institute, which contributions focused on the geopolitical, great power rivalry, and the middle power strategies of ASEAN and South Korea. As the second volume focusing on the New Southern Policy, our main objective is to cover the multi-tracks of governmental and non-governmental perspectives, with experts specializing in the different disciplines of international relations, economy and security studies, while unpacking the underlying political, economic and security connections between ASEAN and South Korea. The less frequently discussed aspects covered by this book include cybersecurity, maritime cooperation and a section on ASEAN's engagement with North Korea (in four chapters by six Southeast Asian writers). The successful completion of this project is due to support from various networks, including the ASEAN Institutes for Strategic and International Studies (ASEAN-ISIS) network, and the Korean networks that have been working with the Institute of Strategic and International Studies (ISIS) Malaysia for the past few decades, notably Sejong Institute and The Asan Institute for Policy Studies. It was through one of the annual Korea-ASEAN Forums held in Kuala Lumpur that I got to know Dr Lee Jaehyon, and since then, I have been involved in his Korea-ASEAN network that has proven to be very significant for my research on this subject.

I would like to express my deep appreciation to the people and organizations that have shaped my perspectives on ASEAN-ROK relations. Dr Kuik Cheng-Chwee has been a mentor, a kind colleague and a great networker throughout my career. Through co-convening the East Asian International Relations (EAIR) Caucus, our collaboration has helped shaped a world-class intellectual environment connected not only to academia and researchers, but also to various foundations, embassies, as well as governmental and international organizations. It was through this network that I was able to co-organize a workshop with the Trilateral Cooperation Secretariat (TCS) based in Seoul. The experience has been especially rewarding, seeing how South Korea acted as the core secretariat in managing the trilateral cooperation's agenda and programmes. We are grateful that the TCS partnered with the EAIR Caucus to convene the first TCS Young Professional Exchange and Inter-Regional Dialogue, providing a much-needed convergence of ideas between the senior officials and the young scholars from Northeast and Southeast Asia.



The Presidential Committee on New Southern Policy (PCNSP) and the restructured ASEAN Bureau in the ROK's Ministry of Foreign Affairs (MOFA) were most gracious to host my visits. Special thanks to Policy Coordinator Euihae Cecilia Chung of the PCNSP and Director-General for ASEAN Bureau Park Jae-kyung, whose input was significantly helpful to the research project on New Southern Policy, before we embarked on research trips to four Southeast Asian countries for fieldwork. The conclusion of this volume draws heavily from the final report for ROK's MOFA led by Dr Kuik, and I thank him for the great opportunity to learn from him. Another good friend, Dr Ngeow Chow Bing, was also kind enough to include me in his Korea Foundation project, which he co-led with Dr Paik Wooyeal. Both have also provided me with important perspectives about South Korea's strategic posturing between the United States and China, and I thank Dr Paik for his preliminary assessment of South Korea's perspective on Southeast Asian responses to the New Southern Policy.

Of the Korean academic and policy think tank publications, Dr Lee Jaehyon from The Asan Institute for Policy Studies is regarded as the most prolific writer on ASEAN-ROK relations, particularly in the area of security relations, which is probably the most under-studied aspect of the relations. His contemporary, Dr Kim Hyung Jong, presently Dean of the International Relations Department at Yonsei University in Wonju, is a renowned scholar on ASEAN. Jaehyon undertook fieldwork research hosted by the National University of Malaysia, while Hyung Jong studied in Malaysia as a postgraduate student and was later employed as an academic at the University of Malaya. I am especially indebted to Jaehyon, who has kindly guided and advised me on all things ASEAN-Korea, and I am grateful for his insights and friendship. His writings on the subject, in both Korean and English, are frank, realistic and thought-provoking. My understanding of South Korea's Southeast Asia policy and the New Southern Policy would be inadequate, were it not for our close collaboration and friendship.

I would also like to thank ISIS Malaysia for engaging me in all its forums and roundtables on Korea since my return to Malaysia in 2012, including inviting me to be an inaugural member of the Malaysia Scholars on Korea (MASK) network and appointing me as Korea Foundation Fellow for this project. Then Chairman and Chief Executive of ISIS Malaysia Tan Sri Rastam Mohd Isa, Deputy Chief Executive Dato' Steven C.M. Wong and the Administration team led by Ms Sohana Enver Azyze played vital roles in reaching an agreement with Korea Foundation. I would also take this opportunity to thank the National University of Malaysia, especially Faculty Dean Professor Hazita

Azman and Professor Zarina Othman, for allowing me to accept this appointment and encouraging me to develop my expertise on Korea.

In mid-November 2019, two weeks before the official commemorative summit in Busan, the ISIS Malaysia Forum on Korea was held in Kuala Lumpur, bringing together many colleagues and friends to examine the achievements and potential of future ASEAN-ROK trajectories. Together with ISIS Malaysia, we would like to thank the ROK Embassy in Malaysia for its support and the congratulatory remarks delivered at the Forum by Deputy Chief of Mission Mr Kim Junpyo, who always delivers his speeches in eloquent Malay, without referring to a draft, and always ending them with a gracious Malay *pantun* appropriate for the occasion. We would also like to express our appreciation to the Republic of Korea's Presidential Committee on New Southern Policy for gracing the Forum with Director Park Mijo, who delivered a Special Address on New Southern Policy on the second day of the Forum. We are also grateful to Ms Sung Yoonjeong of the Korea Foundation, who was also present at the Forum, for overseeing the execution and completion of the project.

We thank all the moderators, presenters and discussants who provided thought-provoking feedback for the project and the book. We received numerous compliments from the attendees about the novelty of the ideas presented, which led to vibrant discussions at the Forum. Thus, we would like to acknowledge the contributions of the presenters who are (in the order of their presentations): Lee Seong-hyon, Andrew Wiguna Mantong, Nurliana Kamaruddin, Thomas Benjamin Daniel, Kim Wonhee, Ambassador Kim Young-sun, Him Raksme, Lee YingHui, Roy Anthony Rogers, Frances 'Frankie' Antoinette Cruz, Farlina Said, Choi Yoon Jung, Dato' Steven C.M. Wong, Ian Patrick Collins, Nguyen Thi Bich Ngoc, Yoo Minji, Seng Pan, Shawn Ho, Tan Sri Rastam Mohd Isa, Go Myong-hyun, Leif-Eric Easley, Wang Dong, Aries A. Arugay, Shahrman Lockman and Kavi Chongkittavorn. I also want to thank my Research Assistant, Siti Atiqah Mokhter, for taking and transcribing notes for this Forum.

The success of the Forum was made possible by the excellent Public Affairs and Conference Services (PACS) team led by Ms Tengku Sheila Tengku Annuar Zainal. The team's meticulous preparation and execution from accounting to budget and conference management were exemplary and taught me lessons I would not have been able to get elsewhere.

This book would not have materialized without the strong support of a great team. Helping me reach the finish line were the excellent people at ISIS Malaysia who streamlined everything and reminded me of deadlines. Many thanks to the analysts and researchers, especially Farlina Said and Harris Zainul, who in addition to contributing two book chapters, were involved in early planning, brainstorming, invitation and coordination. I am also indebted to Joann M.C. Saw and Muhammad Sinatra from the editorial team for their attention to details and working late into the night with final editing, formatting, and working with the design and production team to bring this book to fruition. Dato' Steven C.M. Wong deserves a special mention here for encouraging me to strive for a quality product. As an inexperienced editor, I would like to thank Mr Christopher C.W. Fong of Words & Beyond for his editorial support towards the end of the book project, which was really intensive. The many questions raised prompted me to think deeper about the accessibility of training in academic writing for most readers. Mr Fong has certainly been a saving grace, from his professional and responsible editing to the suggestions of Francisco Tárrega and Johann Sebastian Bach to calm my nerves. This has truly been an outstanding team to work with, and I am deeply grateful for this experience.

Any errors in this volume, it goes without saying, are solely mine.

**Hoo Chiew Ping**

Kuala Lumpur

August 2020

## Contributors

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**Aries A. ARUGAY** is Professor of Political Science, Convenor of the Strategic Studies Program in the Center for Integrative and Development Studies at University of the Philippines Diliman, and Research Fellow with the Asia Pacific Pathways to Progress Foundation, Inc.

**Choson Exchange** is building the first generation of startups in the Democratic People's Republic of Korea, training close to 3,000 Koreans in the country on economic policy, business and entrepreneurship. It has a remote volunteer network of close to 100 across the world. It focuses on innovative delivery of educational programmes that advance entrepreneurial ecosystem and policies in the country.

**Frances A. CRUZ** is Assistant Professor at the College of Arts and Letters, University of the Philippines Diliman, and Co-Convenor of the Decolonial Studies Program at University of the Philippines' Center for Integrative and Development Studies (UP CIDS). She is currently President of the Philippine International Studies Organization (PHISO), and Vice President of the European Studies Association of the Philippines.

**HOO Chiew Ping** is Senior Lecturer in the Strategic Studies and International Relations Programme, National University of Malaysia (UKM), and also Co-Founder and Co-Convenor of the East Asian International Relations (EAIR) Caucus at UKM. She was Korea Foundation Fellow at the Institute of Strategic and International Studies (ISIS) Malaysia.

**KIM Young-sun** is Visiting Research Fellow with Seoul National University Asia Center (SNUAC), Republic of Korea. He was former Secretary General of the ASEAN-Korea Centre in Seoul and former Ambassador to Indonesia.

**LEE Seong-hyon** is Director of the Center for Chinese Studies at Sejong Institute, and Adjunct Professor at Yonsei University in Seoul, Republic of Korea.

**LEE YingHui** is Associate Research Fellow with the Maritime Security Programme at the S Rajaratnam School of International Studies, Nanyang Technological University, Singapore.

**NGUYEN Thi Bich Ngoc** is Deputy Director of the Center for Foreign Policy and Regional Studies, Institute for Foreign Policy and Strategic Studies, Diplomatic Academy of Vietnam.

**Roy Anthony ROGERS** is Senior Lecturer at the Department of International and Strategic Studies, Faculty of Arts and Social Sciences, University of Malaya.

**Farlina SAID** is Analyst in Foreign Policy and Security Studies (FPSS) at the Institute of Strategic and International Studies (ISIS) Malaysia.

**Joann M.C. SAW** is Publications Executive at the Institute of Strategic and International Studies (ISIS) Malaysia.

**Muhammad SINATRA** is Analyst in Foreign Policy and Security Studies (FPSS) at the Institute of Strategic and International Studies (ISIS) Malaysia.

**Bryan TAN** is a Yenching Scholar at Peking University specializing in Economics and Management. He previously read Economics at Sidney Sussex College, University of Cambridge.

**Steven C.M. WONG** was former Deputy Chief Executive and Board Member of the Institute of Strategic and International Studies (ISIS) Malaysia. He remains a member of the Malaysia Scholars on Korea (MASK) network and is also Principal of the Ong Thye Ghee Fund, which provides seed funds for young Southeast Asian social enterprises.

**Harris ZAINUL** is Analyst in Economics, Trade and Regional Integration (ETRI) at the Institute of Strategic and International (ISIS) Malaysia.

## Abbreviations

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3GPP	3rd Generation Partnership Project
3Ps	Three Pillars – People, Prosperity and Peace
4IR	Fourth Industrial Revolution
5th ATM+ROK	5th ASEAN and Republic of Korea Transport Ministers Meeting
A*STAR	Agency for Science, Technology and Research
ACCC	ASEAN Connectivity Coordinating Committee
ACF	ASEAN Connectivity Forum
ACGF	ASEAN Catalytic Green Finance Facility
ACMECS	Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy
ACSC	ASEAN Civil Society Conference
ADB	Asian Development Bank
ADMM-Plus	ASEAN Defence Ministers' Meeting Plus
AEC	ASEAN Economic Community
AFoCO	Asian Forest Cooperation Organization
AI	artificial intelligence
AIIB	Asian Infrastructure and Investment Bank
AKBC	ASEAN-Korean Business Council
AKCF	ASEAN-Korea Cooperation Fund
AKFTA	ASEAN-Korea Free Trade Agreement
AKTIG	ASEAN-Korea Trade in Goods
AKTIS	ASEAN-ROK Trade in Services
AMM	ASEAN Ministerial Meeting
AMS	ASEAN Member States
AOIP	ASEAN Outlook on the Indo-Pacific
APASTI	ASEAN Plan of Action on Science, Technology and Innovation
APEC	Asia-Pacific Economic Cooperation
APF	ASEAN Peoples' Forum
APSC	ASEAN Political-Security Community
APT	ASEAN Plus Three
ARF	ASEAN Regional Forum
ARF EEP	ASEAN Regional Forum Experts and Eminent Persons
ASCC	ASEAN Socio-Cultural Community
ASCN	ASEAN Smart Cities Network

ASEAN	Association of Southeast Asian Nations
ASEAN COST	ASEAN Committee on Science and Technology
ASEAN-ISIS	ASEAN Institutes for Strategic and International Studies
B2B	business-to-business
B2C	business-to-consumer
BERD	business expenditures on research and development
BNPB	National Agency for Disaster Management
BRI	Belt and Road Initiative
CAGR	compound annual growth rate
CEPA	Comprehensive Economic Partnership Agreement
CMI	Chiang Mai Initiative
CoC	code of conduct
CSCAP	Council of Security Cooperation in the Asia Pacific
CSOs	civil society organizations
CVID	complete, verifiable, irreversible denuclearization
DMZ	demilitarized zone
DPRK	Democratic People's Republic of Korea
EAS	East Asia Summit
EDCA	Enhanced Defense Cooperation Agreement
EEC	Eastern Economic Corridor
EIA	Energy Information Administration
EWG	Experts' Working Group
FDI	foreign direct investment
FFVD	final, fully verified denuclearization
FinTech	financial technology
FOIP	Free and Open Indo-Pacific
FTA	free trade agreement
GDP	gross domestic product
GERD	government expenditure on research and development
GMS	Greater Mekong Subregion
GSM	Global System for Mobile Communications Association
GVC	global value chain
HCI	heavy and chemical industry
ICBMs	intercontinental ballistic missiles
ICRC	International Committee of the Red Cross
ICT	information and communications technology

IfG	Institute for Government
IK-CEPA	Indonesia-Korea Comprehensive Economic Partnership Agreement
IMO	International Maritime Organization
IoT	Internet of Things
IP	intellectual property
IP	Internet Protocol
IPPL	International Program on Port & Logistics
IPR	intellectual property rights
ISEAS	Institute of Southeast Asian Studies
ISIS	Institute of Strategic and International Studies
IT21	the Philippines' IT Action Agenda for the 21st Century
ITU	International Telecommunication Union
KASEAS	Korean Association of Southeast Asian Studies
KBE	Knowledge-based Economy
KF	Korea Foundation
KIAT	Korea Institute for Advancement of Technology
KIEP	Korea Institute for International Economic Policy
KINU	Korea Institute for National Unification
KISEAS	Korean Institute of Southeast Asian Studies
KISTEP	Korea Institute of S&T Evaluation and Planning
KLIA2	Kuala Lumpur International Airport 2
KMFCC	Korea-Mekong Forest Cooperation Center
KMI	Korea Maritime Institute
KOCCA	Korea Creative Content Agency
KOICA	Korea International Cooperation Agency
KRIHS	Korea Research Institute for Human Settlements
K-Water	Korea Water Resources Corporation
LMC	Lancang-Mekong Cooperation
LMI	Lower Mekong Initiative
LNG	liquefied natural gas
LPDC	low-density parity-check
LPI	Logistics Performance Index
MaGIC	Malaysian Global Innovation and Creativity Centre
MASK	Malaysia Scholars on Korea
MBA	Master of Business Administration
MDI	Myanmar Development Institute



MI	Mekong Institute
MIT	middle-income trap
MOU	Memorandum of Understanding
MPAC	Master Plan on ASEAN Connectivity
MRC	Mekong River Commission
MKCF	Mekong-ROK Cooperation Fund
MSF	Médecins Sans Frontières (Doctors Without Borders)
MSME	micro, small and medium-sized enterprises
MSS	Ministry of SMEs and Startups
MTWG	Maritime Transport Working Group
NAM	Non-Aligned Movement
NASA	National Aeronautics and Space Administration
NEAPC	Northeast Asia Plus Community of Responsibility
NGO	non-governmental organization
NMC	Nippon Maritime Center
NNP	New Northern Policy
NSP	New Southern Policy
OCHA	Office for the Coordination of Humanitarian Affairs
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
OEWG	Open-ended Working Group
PCFIR	Presidential Committee on the Fourth Industrial Revolution
PSPD	People's Solidarity for Participatory Democracy
Quad	Quadrilateral Security Dialogue
R&D	research and development
RAN	Radio Access Network
RCEP	Regional Comprehensive Economic Partnership
ROK	Republic of Korea
SDGs	Sustainable Development Goals
SEANWFZ	Southeast Asia Nuclear-Weapon-Free Zone
SEATO	Southeast Asia Treaty Organization
SEZ	special economic zone
SK E&C	SK Engineering & Construction
SMEs	small and medium-sized enterprises
SNUAC	Seoul National University Asia Center
SOMS	Straits of Malacca and Singapore

TAC	Treaty of Amity and Cooperation
TCS	Trilateral Cooperation Secretariat
TEU	Twenty-Foot Equivalent Unit
THAAD	Terminal High Altitude Area Defense
TICA	Thailand International Cooperation Agency
TPP	Trans-Pacific Partnership
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNGA	United Nations General Assembly
UNGGE	United Nations Group of Governmental Experts
UNSC	United Nations Security Council
V-KIST	Vietnam-Korea Institute of Science and Technology
VLCCs	very large crude carriers
WEF	World Economic Forum

# Introduction

---

**Hoo Chiew Ping, Muhammad Sinatra & Joann M.C. Saw**

The relationship between the Republic of Korea (ROK, hereafter South Korea) and Southeast Asia is a multifaceted one. Whether it is smart electronic devices, K-pop groups (e.g., BTS and Blackpink) or Korean TV series (e.g., Crash Landing on You), South Korea has significantly impacted Southeast Asian culture. Beyond the consumerism and entertainment, however, South Korea has also emerged as a highly significant actor in Southeast Asia's economic, political and diplomatic spheres. South Korea's rapid recovery from the 1997 Asian Financial Crisis and its remarkable subsequent achievements, notwithstanding its complex and dangerous geopolitical environment, has demonstrated to the Association of Southeast Asian Nations (ASEAN) its resilience and generated much admiration.

Under President Moon Jae-in, South Korea has embarked on its New Southern Policy (NSP) to engage ASEAN by elevating economic and diplomatic ties, while focusing on the Three Pillars (3Ps) – People, Prosperity and Peace – which correspond to ASEAN's Political-Security Community (APSC), Economic Community (AEC) and Socio-Cultural Community (ASCC). Since declaring the NSP in 2017, President Moon has visited all ASEAN Member States (AMS) in the following two years, establishing new visions, initiatives and collaborations along the way. The high commitment displayed by South Korea has not only boosted optimism within the AMS, but also initiated rigorous intellectual conversations on the dynamics and dimensions of the NSP.

This volume commemorates the 30th anniversary of the partnership between ASEAN and South Korea. In 2009, the ASEAN-Korea Centre and the Singapore-based Institute of Southeast Asian Studies (ISEAS) jointly published a volume to commemorate the 20th Anniversary of Dialogue Partnership between ASEAN and South Korea. Professor David I. Steinberg, the editor, wrote then about South Korea's changing role in Southeast Asia, characterizing the relations at that time as 'tenuous' and 'vigorous'.<sup>1</sup> In 2009, South Korea was emerging and just becoming a cosmopolitan actor in world affairs. The new Incheon International Airport had just been completed and, in 2010, South Korea hosted the G-20 Summit for the first time. The new 'Global

Korea' was one that was no longer bogged down by its sad history or besieged by constant geopolitical uncertainties or constraint by its unfortunate geography. Instead of being an aid recipient, South Korea had transformed itself into a major official development assistance (ODA) donor country. Korean products had entered the Southeast Asian market and South Korean universities were popular destinations for Southeast Asian students. There were think tank exchanges. Substantial research projects and intellectual engagements were launched. South Korea's prowess in many areas, financial, cultural, and so on, was readily apparent. Compared to the 1970s and the 1980s, when South Korea was viewed as a junior partner under US protection, this was a remarkable transformation. The 20th anniversary volume witnessed the dynamic development of ROK-ASEAN relations and captured the essence, significance and optimism of the relationship.

In 2014, the second ROK-ASEAN commemorative volume, published by the Korean Institute of Southeast Asian Studies (KISEAS) and Korean Association of Southeast Asian Studies (KASEAS), showcased the advances in Southeast Asian studies made by Korean scholars.<sup>2</sup> But the optimism, which had characterized the first volume, was shadowed by geopolitical uncertainties. The Terminal High Altitude Area Defense (THAAD) deployment issue deeply and negatively affected South Korea's relations with China, its most important trading partner. Kim Jong-un, the new North Korean leader, seemed unpredictable. The growing rivalry between the United States and China also created many uncertainties. The idea that South Korea needed to move away from the troubling major power rivalries and its northern neighbour and develop more partnerships was born. As a group of small and middle powers, the Southeast Asian countries were natural candidates. Neither South Korea nor ASEAN has hegemonic designs or 'historical baggage' with each other. With the troubling geopolitical developments as background, the second volume highlighted the substantial progress in ROK-ASEAN relations. The concrete engagement across various fronts and the extensive spread of South Korean soft power were truly remarkable.

This volume originated from the fruitful partnership between the Korea Foundation (KF) and the Institute of Strategic and International Studies (ISIS) Malaysia, the country's premier think tank. Among the projects KF and ISIS Malaysia had collaborated on was the series of Korea-ASEAN Forum. The creation of the Malaysia Scholars on Korea (MASK) Network in 2017, the first network of Malaysia-based researchers working on Korea, was supported by then Ambassador of the ROK to Malaysia Dr Yu Hyun-seok,

who was the President of KF prior to this appointment.<sup>3</sup> Using the MASK Network platform, the ISIS Malaysia Forum on Korea, 'The New Southern Policy: Catalyst for Deepening ASEAN-ROK Cooperation', was held in Kuala Lumpur from 13 to 14 November 2019. Participants from ASEAN, South Korea, the United States and China discussed a range of issues, including the prospects of the NSP and ASEAN's potential role in engaging the Democratic People's Republic of Korea (DPRK, hereafter North Korea). The forum drew attendees from such diverse backgrounds as government officials, academics, think tank analysts and representatives from non-governmental organizations. The chapters in this volume were first presented as the proceedings of this forum.

One of the authors of this Introduction, Dr Hoo Chiew Ping, is honoured to have overseen the organization of the forum and the production of this volume. Hardly any 'Korea expert' from Southeast Asia contributed to the first and second commemorative volumes. In contrast, the majority of contributors to this volume are young and upcoming Korea specialists from Southeast Asia. This is remarkable testimony to the transformation of Korea's status in the region. Still, in comparison to Japan and China Studies, there are relatively few 'Korea-hands' in Southeast Asian think tanks and universities and, so far, no Korea Chair has been established at a university in ASEAN.

This volume hopes to distinguish between substance and appearance in ASEAN-ROK relations. The achievements and progress made in ASEAN-ROK relations are highlighted, as they should be. But this volume also notes the challenges ahead. After all, in the minds of policymakers, questions remain as to how sustainable the NSP is and how successful the NSP will be in deepening relations between ASEAN and South Korea. The latter's soft power is undeniably remarkable, but how much this will translate into substantial political and strategic partnerships remains to be seen.

The three parts of this book focus on important themes. Part I views ASEAN-ROK relations from various perspectives and evaluates the possibilities of the NSP. After reviewing the history of ROK-ASEAN relations, Lee Seong-hyun wonders whether relations can be further deepened, considering the domestic and geopolitical challenges. His doubt is echoed by Frances A. Cruz who argues that, if the NSP is a manifestation of South Korea's soft power and cultural diplomacy, its success will depend on the South Korean government's ability to consolidate its position as a middle power, which may or may not happen. Steven C.M. Wong examines

the relationship from an economic perspective and points out that, while economic cooperation has been fruitful, it is likely to be constrained by numerous factors in the future. Finally, Farlina Said explores the issue of cybersecurity cooperation. There is certainly a lot of room for collaboration, but considering how the AMS are unevenly prepared for the advent of the Fourth Industrial Revolution (4IR) and the introduction of 5G technology, the difficulties ahead are immense. Overall, the takeaway from Part I is that a clear and firm commitment to the NSP is only the beginning. If the NSP is to fulfill its promise, much more needs to be done.

Part II focuses on two areas of ASEAN-ROK collaboration: maritime cooperation and the Mekong region. Lee YingHui posits that, considering the high demand for maritime infrastructure and connectivity in Southeast Asia, maritime cooperation is a fruitful area for the enhancement of ASEAN-ROK relations. While underscoring the mechanisms and opportunities that South Korea can use to foster collaboration in the Mekong region, Roy Anthony Rogers believes that South Korea is an ideal partner for the development of the Greater Mekong Subregion because it has neither political nor historical baggage there. Finally, Ambassador Kim Young-sun provides an overview of Mekong-Korea relations and prescribes measures to overcome the obstacles that interfere the relationship from attaining its potential.

Part III addresses the opportunities and challenges in engaging North Korea, taking into account contemporary developments on the Korean Peninsula since 2018. Nguyen Thi Bich Ngoc considers it an imperative for South Korea and ASEAN to continue engaging North Korea strategically and practically, given the synergy between South Korea's NSP and ASEAN's Community Vision. After reviewing Vietnam's efforts, she proposes that both South Korea and ASEAN engage North Korea in the fields of healthcare, tourism and landmine removal. Aries A. Arugay also sees a crucial role for ASEAN in helping bring about peace on the Korean Peninsula. To succeed, ASEAN has to take its stakeholder role seriously, be consistent in its policies and work with such non-state actors as civil society organizations as catalysts. Farlina Said and Harris Zainul stress that, no matter how fraught with difficulties the peace process may be, ASEAN should be engaged in it. Such continued engagement will result in the shifting of 'calculations and perspectives from the short to long term and, in so doing, contribute to the peace process on the Korean Peninsula'. Finally, the work carried out by the Choson Exchange reveals a little-known dimension of how non-governmental organizations can meaningfully engage with North Korea.

Although this volume was prepared at the height of the COVID-19 pandemic, it has touched on the pandemic's dramatic impact only marginally. However, this does not negate the importance of examining the many facets of ASEAN-ROK ties from as many angles as possible. We hope that this volume will illuminate and shape the reader's understanding of this relationship, while also informing future policy considerations.

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**Endnotes**

- <sup>1</sup> David I. Steinberg, ed., *Korea's Changing Roles in Southeast Asia: Expanding Influence and Relations* (Singapore: Institute of Southeast Asian Studies, 2010).
- <sup>2</sup> Choong Lyol Lee, Seok-Joon Hong, and Dae-yeong Youn, eds., *ASEAN-Korea Relations: Twenty-five Years of Partnership and Friendship* (Seoul: Korean Institute of Southeast Asian Studies, 2015).
- <sup>3</sup> The creation of this network was part of the Memorandum of Understanding (MOU) signed in 2016 between the ROK Embassy in Malaysia and ISIS Malaysia, supported by the Ministry of Foreign Affairs of ROK.

PART I

**New Southern Policy  
as Catalyst for Change**





# ***A South Korean Perspective on ASEAN-ROK Relations: Past, Present and Future***

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Lee Seong-hyon

## **The historical development of ASEAN-ROK relations**

In 1966, at the Southeast Asia Treaty Organization (SEATO) meeting, then President Park Chung-hee committed to sending Korean troops to the Vietnam War. He envisioned a collective security system comprising anti-communist groups in the East Asian region. Yet, in the end, Park's move should be seen as an exception. South Korea's manoeuvrings during the Cold War did not exceed the boundaries set by United States' policy towards Asia.<sup>1</sup> Broadly speaking, during the Cold War, South Korea failed to implement its own policy towards Southeast Asia.

With the end of the Cold War, relations between the Republic of Korea (ROK, hereafter South Korea) and Southeast Asia entered a new phase. During Kim Dae-jung's administration, South Korea's policy towards the Association of Southeast Asian Nations (ASEAN) focused on his initiative to build an 'East Asian community'. Japanese Prime Minister Keizo Obuchi and Chinese President Jiang Zemin had similar ideas and thus the ASEAN Plus Three (APT) Summit was held. In 2011, South Korea, China and Japan set up a three-way regional consultation body, the Trilateral Cooperation Secretariat (TCS), in Seoul.<sup>2</sup>

At the time, President Kim Dae-jung was an elder statesman who was close to the democratic forces in Asia. He even had personal relationships with some of the leaders of the democracy movement in Southeast Asia. However, due to the ASEAN Member States' (AMS) emphasis on sovereignty and non-interference in domestic affairs, South Korea's ASEAN policy could not progress to the point of a concrete structure that shared the value of liberal democracy.

When the Roh Moo-hyun government came into power, the orientation of South Korea's ASEAN policy shifted from security to the economy, as economic cooperation was an area where both sides could find common ground. But South Korea's economic cooperation with ASEAN was unable to resolve the nuclear issue of the Democratic People's Republic of Korea (DPRK, hereafter North Korea), which was the biggest problem for South Korea and the East Asian community. With security issues towering over economic ones, Seoul's diplomatic focus was primarily on coordinating its alliance with the United States and also the Six-Party Talks, a multilateral platform hosted by China to tackle the North Korean crisis.<sup>3</sup>

Even during the Lee Myung-bak and Park Geun-hye administrations, South Korea's ASEAN policy did not deviate significantly from its economy-oriented diplomacy. Based on economic needs, many South Korean companies, including Samsung, entered the ASEAN market. South Korean companies, together with the Korean Wave, played a leading role in economic and social-cultural exchanges between South Korea and ASEAN. At the governmental level, South Korea notched up a number of official development assistance (ODA) projects in Southeast Asia and helped in building and supporting diplomatic infrastructures, such as the ASEAN-Korea Centre, South Korean Mission to ASEAN in Jakarta, and the ASEAN-Korea Cooperation Fund (AKCF).

In 2016, ASEAN's significance in the economic realm was highlighted again in South Korea for a new reason. South Korea had become entangled with its larger neighbour, China, over the deployment of Terminal High Altitude Area Defense (THAAD), an advanced US missile defence battery system, installed on South Korea's territory. Even though South Korea and the United States had stated that THAAD's purpose was to defend against missiles from North Korea, China was upset because the powerful radar connected to THAAD could possibly compromise electronic communications among China's military facilities and assets. When it was predicted that China would retaliate against South Korea economically, which would hurt South Korea's exports,

the possibility was raised in South Korea of shifting its economic focus to ASEAN. When the US-China trade war led to greater export restrictions for South Korea, ASEAN became even more important.

As for major economy-related agreements, the ASEAN-ROK Framework Agreement on Comprehensive Economic Cooperation was signed in 2005, the ASEAN-Korea Trade in Goods (AKTIG) Agreement in 2006, the ASEAN-ROK Trade in Services (AKTIS) Agreement in 2007 and the ASEAN-Korea Investment Agreement in 2009. Trade between South Korea and ASEAN increased from US\$75 billion in 2009 to US\$149 billion in 2017. In the same period, exports increased from US\$41.9 billion to US\$53.3 billion, imports from US\$34 billion to US\$53.8 billion and trade balance from US\$6.9 billion to US\$41.4 billion.

In 2018, trade with the AMS accounted for 14 percent of South Korea's total trade. It was less than that with China (24 percent), but more than that with the United States (12 percent), European Union (11 percent) and Japan (7 percent). South Korea's investment in ASEAN increased from US\$2.1 billion in 2009 to US\$4.8 billion in 2017. In addition, South Korea has been operating the AKCF since 1990, investing US\$1 million to US\$7 million a year.

From the ASEAN perspective, South Korea's economic value is significant too. South Korea is the fifth largest trading partner with ASEAN, after China, the European Union, the United States and Japan. South Korea has been actively investing in ASEAN too. In particular, from the standpoint of some AMS, which have disagreements with China over the South China Sea, trade with and investment from Japan and South Korea play the important role of reducing risks and economic dependence on China.

Looking back, the relationship between ASEAN and South Korea has not been straightforward. In the 1980s, ASEAN did not acknowledge either North or South Korea's claims of sovereignty over the entire Korean Peninsula. ASEAN unanimously advocated non-alignment. However, through the late 1980s, especially after the Asian Games in 1986 and the Summer Olympics in 1988 which were held in Seoul, ASEAN began acknowledging South Korea again. In 1989, ASEAN designated South Korea as a 'partial Dialogue Partner', effectively supporting the South Korean government's legitimacy. Furthermore, in 1991, when both the South and North Korean governments

joined the United Nations (UN) simultaneously, ASEAN elevated South Korea to a 'complete Dialogue Partner'.<sup>4</sup>

ASEAN and South Korea initiated sectoral dialogue relations in November 1989. South Korea was accorded full Dialogue Partner status by ASEAN at the 24th ASEAN Ministerial Meeting (AMM) in July 1991 in Kuala Lumpur. The partnership was elevated to Summit level in 1997 in Kuala Lumpur along with China and Japan in the 1st APT Summit. Since then, South Korea has participated in the ASEAN Foreign Ministers' Meeting, which involves 10 ASEAN countries and 10 Dialogue Partners, sometime in July or August each year. Since the convening of the APT Summit in 1997, the ASEAN-ROK Summit has been held almost every year. In 2004, the APT Economic Ministers' Meeting was also added to the agenda.

The ASEAN-ROK Commemorative Summit, the sole conference between ASEAN and South Korea, began in 2009 and is held every five years. The year 2010 saw the upgrading of ASEAN-ROK relations to strategic partnership. Additionally, the 1st Mekong-ROK Foreign Ministers' Meeting was held in 2011. Both sides held a forum on political affairs and security in 2014 to exchange views on regional security issues, including the situation on the Korean Peninsula.<sup>5</sup>

## **Assessment of the 2019 ASEAN-ROK Commemorative Summit**

The ASEAN-ROK Commemorative Summit has been held every five years since 2009. So far, three commemorative summits – in 2009, 2014 and 2019 – have been held. On 25-26 November 2019, the 3rd ASEAN-ROK Commemorative Summit was held at the South Korean coastal city of Busan. The ASEAN-ROK CEO Summit, Culture Innovation Forum, Startup Summit, and Innovation Showcase were also held concurrently. They were followed by the 1st Mekong-ROK Summit on 27 November 2019.

At the Busan Commemorative Summit, both sides agreed on the following cooperation measures. First, both sides agreed to increase people-to-people exchanges – in particular, to simplify the visa system, liberalize aviation and more than double the number of ASEAN scholarship students by 2022. Second, they agreed to expand

industrial cooperation based on free trade. Specifically, South Korea announced plans to implement the 'Master Plan on ASEAN Connectivity (MPAC) 2025', double the AKCF and more than double the amount of ODA. Third, there was agreement to cooperate for a peaceful East Asian community. South Korea expressed its support for the 'ASEAN Outlook on the Indo-Pacific (AOIP)', freedom of navigation/flying in the South China Sea, complete and effective implementation of the Declaration on the Conduct of Parties in the South China Sea, and progress in negotiations over the code of conduct (CoC).<sup>6</sup> On the other hand, ASEAN declared its support for the complete denuclearization of the Korean Peninsula and a permanent peace settlement.

At the Mekong-ROK Summit, the two parties agreed on the following cooperation measures. First, South Korea decided to establish a public research institute in a Mekong country to share its experiences and prosperity. Second, both sides decided to establish the Mekong-Korea Biodiversity Center, Korea-Mekong Water Resources Joint Research Center, Korea-Mekong Forest Cooperation Center (KMFCC) and Asian Forest Cooperation Organization (AFoCO). Third, South Korea decided to contribute to the strengthening of connectivity for East Asia's peace and prosperity.<sup>7</sup>

The various bilateral talks, which took place before and after the ASEAN-ROK Summit, mainly dealt with economic cooperation.<sup>8</sup> During the Summit, South Korea signed a Memorandum of Understanding (MOU) with Singapore on smart city, cybersecurity, medicine and standard cooperation, launched joint research in biomedicine, renewable energy and defence technology, and also agreed to increase the number of direct flights between the two countries.<sup>9</sup> With Brunei, South Korea agreed to expand liquefied natural gas (LNG) cooperation to other fields, concluded cooperation in information and communications technology (ICT), e-government and smart city, as well as proposed cooperation in other high-tech industries, national defence and defence industries.<sup>10</sup>

With Thailand, MOUs for investment cooperation in the Eastern Economic Corridor (EEC) and cooperation in preventing illegal stay and illegal employment were signed, while the MOU for cooperation in science and technology was revised and signed.<sup>11</sup> With Myanmar, the two countries signed an MOU on environmental cooperation and added direct travelling routes.<sup>12</sup>

South Korea also signed MOUs with Malaysia for cooperation in ICT, e-government, healthcare as well as water and sewage management, and pushed to strengthen cooperation in free trade agreement (FTA) and the defence industry sector.<sup>13</sup> South Korea also agreed with the Philippines on the early results of the FTA. South Korea has not only concluded the South Korea-Indonesia Comprehensive Economic Partnership Agreement (CEPA) but Hyundai Motor and Indonesia also signed a MOU to set up a car plant, and both South Korea and Indonesia will cooperate in the development of the new Indonesian capital in Kalimantan.

With Laos, South Korea signed an MOU on information service cooperation for port operations and another on Korean language education cooperation. It also pledged to support the establishment of a double taxation prevention agreement, smart city construction cooperation and comprehensive urban transportation plan with Vietnam. In addition, the foreign ministers' meeting with Cambodia resulted in the signing of a double taxation prevention agreement and a criminal judicial cooperation treaty, and declared the launch of joint research on the FTA.

At the ASEAN-ROK CEO Summit, President Moon Jae-in proposed human resource development and industrial cooperation related to the Fourth Industrial Revolution (4IR) and cooperation to strengthen connectivity. Specifically, education and research institutes, such as the Vietnam-Korea Institute of Science and Technology (V-KIST) and the Myanmar Development Institute (MDI) were established, bilateral FTA networks expanded, and ASEAN's infrastructure plan supported. President Moon also said he would increase the cooperation fund to US\$3 million annually.<sup>14</sup>

At the ASEAN-ROK Startup Summit, President Moon made the ASEAN-ROK Startup Expo an annual event and established a mid- to long-term startup roadmap to foster a network that informs startup investors about policies and information. The two sides also pledged to organize a meeting to establish a diplomatic cooperation programme.<sup>15</sup>

KDB Future Strategy Research Institute, a Seoul-based financial think tank, considered the 3rd ASEAN-ROK Commemorative Summit a success. Analysts claimed that strengthening economic ties with ASEAN amid uncertain external conditions not only helped economic cooperation in high-tech industries, but also contributed to political and security cooperation, including non-traditional security. In particular, the fields of economic cooperation have diversified through various platforms, such as

the bilateral meetings of each country and the 1st Mekong-ROK Summit.<sup>16</sup> Through these meetings, for instance, South Korea's carmaker Hyundai has made inroads to the Indonesian market.<sup>17</sup>

At the Forum, Ambassador Kim Young-sun pointed out that although he was pleased that Korea's agenda presented at the meeting was similar to the ASEAN Community's results-oriented approach, specific plans to implement the proposed projects and institutionalization of cooperative systems should be made and strategic dialogue should take place at each level.<sup>18</sup> Dr Choi Yun-jung praised South Korea for being the first country to invite the leaders of all 10 AMS but said that substantial implementation of the projects promised by South Korea was important in maintaining future relations.<sup>19</sup>

People's Solidarity for Participatory Democracy (PSPD), an influential non-governmental organization (NGO) in South Korea, has criticized the government for lacking 'value diplomacy' components in the meeting points of President Moon. Specifically, the PSPD cited the fact that President Moon's meeting points did not even mention the incident at the Laos dam project involving SK Engineering & Construction (SK E&C), the massacre of the Rohingya people in Myanmar as well as the massacre of civilians by South Korean troops during the Vietnam War and the labour rights violations committed by South Korean companies operating in Southeast Asia.<sup>20</sup>

Most of all, critics considered the South Korean government's excessive attempts to invite North Korean leader Kim Jong-un as the worst diplomatic mistake. South Korea sent an invitation to North Korea in early 2019 and President Moon tried to invite Kim Jong-un through a letter just before the meeting, but North Korea rejected the invitation. Despite the low possibility of North Korea accepting the invitation, South Korea's spy agency, the National Intelligence Service, said during a parliamentary hearing that Kim 'might' attend. Pundits reasoned that inviting the North Korean leader to an occasion where the world's spotlight should be focused on meetings with the 10 Southeast Asian countries might be seen as disrespectful diplomatically. Adding to the discord were speculations that the ASEAN Secretariat was not formally consulted regarding the invitation to Kim Jong-un. If South Korea is sincere about elevating relations with ASEAN to a higher level, this episode should serve as a lesson for future potential engagement with North Korea through ASEAN.

## Evaluation of the New Southern Policy

With the New Southern Policy (NSP), President Moon's administration aimed to raise diplomatic relations with ASEAN and India to a level similar to that of its relations with the United States, China, Japan and Russia, and to realize prosperity and peace with Asian countries beyond the Korean Peninsula. On 10 May 2017, after President Moon Jae-in's election, the dispatch of Seoul Mayor Park Won-soon as an envoy to ASEAN signalled the de facto beginning of the policy; Park visited the Philippines, Indonesia and Vietnam. The NSP was announced in the Northeast Asia Plus Community of Responsibility (NEAPC) section of President Moon's top 100 projects on 19 July 2017.<sup>21</sup>

On 9 November 2017, during the keynote speech of the Korea-Indonesia Business Forum, the core principles of the NSP – the 3Ps, namely People, Peace and Prosperity – were presented. President Moon said, 'The "people community" connects people to people, mind and heart; "peace community" contributes to Asian peace through security cooperation; and "win-win prosperity community" is to live well together through mutually beneficial economic cooperation'.<sup>22</sup>

On 8 November 2018, the contents were further refined through a report by the Presidential Committee on NSP. According to the report, the goal was to promote mutual understanding through increased exchanges, build a foundation for mutually beneficial and future-oriented win-win economic cooperation, build a peaceful and safe regional security environment, strengthen bilateral human exchanges as well as the protection of interests, expand the field of economic cooperation and strengthen the economic platform, and strengthen diplomacy in the region. The aim was to expand and strengthen security cooperation.<sup>23</sup> However, considering there is not much difference from the New Southern Policy Guidebook published on 20 November 2019, the contents of the report can be considered the same as the initial NSP.<sup>24</sup>

The major criticism of the NSP is that its approach is too mercantilist. Kim Hong-koo, a professor of Southeast Asia Creativity and Convergence at Busan University of Foreign Studies, highlighted that the public relations approach for the NSP should be amended. He stated, 'It gives out the wholesale impression that "local companies are going to Southeast Asia to revitalize the local economy"'.<sup>25</sup> Um Eun-hee, a researcher at the Seoul National University Asia Center (SNUAC), pointed out that the 'policy should be pursued in a way that emphasizes people and peace more', and that 'an



unfounded sense of superiority in Korea should be combined with efforts to enhance Korea's understanding of the ASEAN culture'.<sup>26</sup> Hong Seok-joon, a professor at Mokpo National University, also expressed concerns about the policy's economic emphasis, remarking that the NSP may be seen as 'a feast of words' that has rhetorically transformed the existing policy rather than a blueprint for a new direction in Korean diplomacy.<sup>27</sup>

Understandably, ASEAN questions the sustainability of this policy. *The Straits Times* pointed out that South Korea's interest in ASEAN was not new and that two former South Korean presidents were also interested in ASEAN. The column stressed that, regardless of changes in South Korea's strategic environment, it was necessary to consider how to maintain the key to ASEAN policy and how to shift the ASEAN-ROK relationship into a non-unilateral partnership.<sup>28</sup> Furthermore, *The Bangkok Post* emphasized that South Korea has so far approached ASEAN to gain support for the Korean Peninsula issue.<sup>29</sup> Meanwhile, *The Jakarta Post* revealed that Indonesian President Jokowi is concerned about losing investment opportunities to Vietnam, despite the revision of Indonesia's labour laws to attract more foreign investment, including that of South Korea's.<sup>30</sup>

Most Koreans do not deny the purpose and significance of the NSP. Economically, the government needs to reverse its sluggish economic growth by expanding trade, creating investment opportunities, industrial cooperation and resource diplomacy with ASEAN. Politically, the NSP is essential not only for the Korean Peninsula, but also for maritime cooperation in East Asia, cooperation on global issues, diversification of the international community and strengthening diplomacy in mid-sized countries. Socio-cultural aspects are important too. South Korea and Southeast Asia are getting closer due to the increased exchange of students, migrant labour and international marriages. Conversely, ASEAN also recognizes the need for cooperation with South Korea.

Yet, some problems of the NSP must be elaborated. First, the diplomatic strategies and detailed policies of the NSP were hurriedly formulated. The NSP was also formed to fit the current government's term; it is not even clear whether it will be fully established as the government has already completed three years out of a five-year term. Although the US Indo-Pacific strategy was also an improvised policy by the Trump administration, the United States expected continuity of the policy, based on the re-election of President Trump that would give him another four years. However,

the South Korean presidency is limited to a single five-year term. If the president changes, it is not clear whether the subsequent government will continue with the NSP.

Second, India and Prime Minister Narendra Modi's cabinet, which regard India as a 'major power', may have been embarrassed to be included as part of the NSP. In addition, South Korea's diplomatic relations with India are still rudimentary compared to its diplomatic relations with ASEAN. Therefore, rather than including India in the NSP, it might have been desirable for South Korea to pursue separate bilateral diplomacy for India.

Third, as mentioned earlier, South Korea has problems in its promotion of the NSP. Criticisms that South Korea's foreign policy is mercantilist are widespread. For instance, the policy outline brochure listed 'expanding tourism' first, and 'improving the quality of life' last. In a lecture hosted by ISEAS-Yusof Ishak Institute in August 2019, Bilahari Kausikan, former permanent secretary of the Singapore Foreign Affairs Ministry, harshly criticized South Korea's ASEAN policy for its 'commerciality, transaction perspective', maintaining that 'Korea's policy is the least consistent among the United States, China, Japan, India and Australia'.<sup>31</sup>

In addition, the discourse about economic cooperation lacks reciprocity – there is only talk of South Korean companies entering ASEAN and helping the local industries but no mention of how ASEAN companies can enter South Korea.

Fourth, there have been discussions linking the NSP to North Korea, with the view of sending a signal to North Korea to encourage it to join the policy. However, when doing so, it might also have been helpful to express South Korea's support for the principles of sovereignty and non-intervention in internal affairs, which ASEAN values.

## Comparison with Japan's and China's policies in Southeast Asia

### Japan and ASEAN

Japan's entry into Southeast Asia can be viewed historically, starting from the 1930s-1940s when Japan invaded Southeast Asia. After World War Two, Japan's

strategy for Southeast Asia changed. In 1977, Prime Minister Takeo Fukuda announced the so-called 'Fukuda Doctrine' in the Philippines. Japan declared that it would not become a military power and would be a true friend to AMS. Prime Minister Fukuda's assurance had the intended impact of moving the 'hearts and minds' of ASEAN. Japan followed through its engagement with ASEAN by increasing investment and aid to Southeast Asian countries, while also increasing its grip on the market.

Japan's strategy for Southeast Asia, which values economic relations but emphasizes strengthening social and cultural exchanges, has not deviated much since. In 2008, Prime Minister Yasuo Fukuda announced the 'New Fukuda Doctrine'. Specifically, he promised to support the realization of the ASEAN Community, strengthen the US-Japan alliance as a 'public good' for regional stability, promote peace and cooperation, exchange human resources and make efforts to deal with global warming.<sup>32</sup> In 2013, Prime Minister Shinzo Abe announced the 'five principles of ASEAN diplomacy' (also known as the 'Abe Doctrine'). It included the establishment and expansion of universal values, maritime security as a public good, joint prosperity through trade and investment, fostering diverse cultures and traditions in Asia, and promoting future generation exchanges.<sup>33</sup>

Japan's ASEAN policy strengthened its security character after the Cold War. Even before Prime Minister Abe took office, Japan had sent an indirect message through the New Fukuda Doctrine that the US-Japan alliance contributes to regional stability. More bluntly, Prime Minister Abe made it clear that Japan has a role to play in the South China Sea. He also made it clear that Japan will play a role in protecting universal values and global governance cooperation. Japan's ASEAN policy is helpful for countries that are at odds with China but also can be a burden for countries that tend to side with China.

Commentator Bhubhindar Singh praised the Abe Doctrine for defending ASEAN's position in the South China Sea in accordance with the principles of international law, but pointed out that Japan should still resolve historical issues through the Murayama Statement and not draw ASEAN into the Sino-Japanese conflict.<sup>34</sup>

The Korea Institute for International Economic Policy (KIEP) has indicated that the biggest asset of Japan's ASEAN strategy has been its long-term interest and commitment but Japan's negative image remains as it has failed to resolve historical

issues.<sup>35</sup> The KIEP did not, however, elaborate on which countries perceive Japan's historical views negatively.

## China and ASEAN

China's strategy for Southeast Asia developed through three historic upsets. First, in 1955, China established the Five Principles of Peaceful Coexistence – the basis for the ASEAN Way – through the Bandung Conference with Southeast Asian countries. Second, since the 1989 Tiananmen Square crisis, authoritarian countries in Southeast Asia have been passive in the US-led economic sanctions against China, saving China's face on the international stage. Third, since the 1997 Asian financial crisis, the regional countries' views of China have improved and China's role in the region has also expanded. Since then, China has pushed for the ASEAN-China FTA early in 2002 under its engagement policy towards ASEAN. The Regional Comprehensive Economic Partnership (RCEP) negotiations began in 2011 and has included ASEAN countries in its one-on-one initiative since 2013.<sup>36</sup>

China has not announced an overall strategy for Southeast Asia but is advocating for individual issues that require cooperation. First, China seeks to resolve the conflict in the South China Sea through negotiations on the CoC. Second, China pushes for a one-on-one approach to build infrastructure and expand connectivity in the ASEAN region. Third, China seeks to expand trade and investment with ASEAN through the RCEP.<sup>37</sup> Fourth, it strengthens land links through transnational cooperation.

Nonetheless, China's ASEAN policy has been plagued by territorial disputes at sea. In the early 2000s, China became the first country to sign an FTA with ASEAN which served as an opportunity for AMS to make early inroads into the Chinese market. In the 2010s, China's previous push for a CoC, as well as the RCEP, were still under way. Meanwhile, the Belt and Road Initiative (BRI) projects in Myanmar, Thailand, Laos, Cambodia, Vietnam and Malaysia seemed to be proceeding smoothly. In 2018, Malaysia declared a suspension of its participation in the BRI, but agreed to a resumption of the projects led by China.<sup>38</sup>

Academics and the media tend to be critical about the BRI. First, BRI projects do not consist of free aid from the donor country. Rather, the BRI is often viewed as 'debt-trap diplomacy' as it constitutes low-interest loans and the borrower forfeits

the right to operate, if not the ownership of the infrastructure, when the principal cannot be repaid. Second, the construction of BRI projects is carried out by Chinese companies and workers, so it does not help the economic development of countries receiving the aid. Third, China's developing of ports related to its military security inevitably entangles the recipient country with the geopolitical competition between the United States and China.

However, these criticisms neither explain why the recipient countries are eager for Chinese capital nor their eagerness to participate in the infrastructure development. First, there are many infrastructure projects that China invests in that seem less profitable, with no other countries or international organizations willing to take action. Naturally, private companies would not invest in these projects either. But at least China would launch the project through 'low-interest' loans. A case in point is China's investment in the Hamhung-Wonsan Expressway in North Korea.<sup>39</sup> North Korea is under heavy international economic sanctions due to its development of nuclear weapons. It is difficult to predict what will happen if sanctions are lifted, but, if sanctions continue, it can lead to deficits even after the construction is completed. Second, the principle of reciprocity always applies to the economic cooperation provided by China. In the case of transnational cooperation, economic cooperation zones are located where not only the Chinese companies will be able to advance into the economic and trade zones of other countries, but where companies of other countries will be able to advance into China's economic and trade zones as well.

China is making efforts to improve its image by utilizing its huge economic prowess, but territorial disputes with neighbouring countries have been cited as the biggest constraint.<sup>40</sup>

## Looking ahead

In late 2019, South Korea and ASEAN marked the 30th anniversary of relations. We have so far reviewed three decades of South Korea's history with ASEAN, the NSP by President Moon and what South Korea can learn from Japan and China since both have engaged ASEAN longer. Drawing on the review, the following suggestions may further strengthen the ASEAN-ROK relationship.

First, it is imperative for South Korea to demonstrate that the NSP is here to stay, that is, the NSP is not just a short-lived experiment under President Moon's administration. Continued engagement and sustained policy investments are key. There is a perception that South Korea has put ASEAN on the back burner for too long in terms of its regional outreach. This may not be true, but this is how the region feels.

South Korea has been perennially occupied with the North Korean issue and had prioritized its diplomacy towards the so-called 'Big Four' (the United States, China, Japan and Russia), which wields clout over the Korean Peninsula. All this time, ASEAN was left outside South Korea's diplomatic purview. Moreover, the ASEAN region has become accustomed to powerful countries' opportunistic ebb and flow outreach. It is understandable for them to feel cautious about the initiatives from President Moon's administration. It is important, therefore, for President Moon to assure ASEAN leaders of South Korea's genuine commitment to the region.

South Korea has no choice but to engage ASEAN. It is in South Korea's interest, given the deepening power rivalry and competition between the United States and China in the region. Both South Korea and ASEAN are caught between the two major powers. In this vein, President Moon rallied support for greater cooperation with ASEAN, characterizing the relationship as one of 'shared destiny'.

Second, South Korea should show long-term financial commitment to the region, not just slogans and headlines. President Moon's proposed cooperation initiatives in the region – such as defence projects, water management, science and technology, infrastructure (railways, airports, harbours, and so on) as well as the smart city industry – require financial allocations.

Third, South Korea should act confidently in its engagement with ASEAN, which is an explicit request from the region's public intellectuals. Indeed, South Korea is a latecomer, compared to China and Japan, when it comes to engaging ASEAN. Although South Korea's financial commitment to the region may be modest compared to China's and Japan's, South Korea will enjoy more of a keen welcome from ASEAN than it realizes. According to Southeast Asian scholars, South Korea does not have 'historical baggage' – in the case of Japan, war and colonial history, and in the case of China, territorial disputes – with the region. The widespread popularity of K-pop and Korean TV dramas in the region certainly helps as well.

Lastly, ASEAN-ROK cooperation has focused too much on highlighting economic and business opportunities. Every business is, after all, a human undertaking. Hence both South Korea and ASEAN should invest in more people-to-people exchanges to make theirs a sustainable, lasting relationship.

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# Prospects for Soft and Middle Power Projection in the New Southern Policy

Frances A. Cruz

## Introduction

While the concept of soft power in the Republic of Korea (ROK, hereafter South Korea) has only been officially recognized in the last decade, South Korea has had a long history of top-down initiatives in cultural diplomacy focused on the external projection of national cultural identity in the postwar era. Government efforts and policies to cultivate and project a national culture were supplemented by the private sector as Korean pop culture grew increasingly popular, which has brought about increased regional and global visibility for South Korea. Although the regional resonance of the Korean Wave, or *Hallyu*, did not translate into a coherent policy linking cultural initiatives to broader trade and political exchanges, interest in Southeast Asia, a region beyond the traditional foreign policy focus of the Korean government, has grown.

The New Southern Policy (NSP) adopts the slogan of the 3Ps of People, Prosperity and Peace to summate South Korea's strategic approach to deepening ties with its southern ASEAN neighbours, demonstrating significant effort to meld soft power gains into a more comprehensive strategy. This strategy ought to be understood in terms of the middle power rhetoric that has characterized South Korea's foreign policy

in recent decades. However, the definition and practice of middlepowermanship in South Korea continue to be plagued by ambiguities, which undermine the credibility of its foreign policy initiatives with its bilateral partners. Mo has noted that ‘soft power does not accrue to a country preoccupied with short-term material interests in international relations’.<sup>1</sup> Thus I argue in this chapter that, likewise, long-term foreign policy gains that draw on the resources of soft power and cultural diplomacy are highly dependent on the ability of the South Korean government to consolidate its potential as a middle power.

The end of the Cold War saw the rise of South Korea as a potential middle power in Asia. Apart from government statements explicitly declaring South Korea’s assumption of its middle power status in the early 2000s, indicators in the global projection of soft power<sup>2</sup> and South Korea’s participation in multilateral platforms appear to support this claim.<sup>3</sup> South Korea’s hosting of both the Asian and Olympic Games in the 1980s marked the beginnings of increased visibility of its soft power on the international stage, in conjunction with its membership in the Organisation for Economic Co-operation and Development (OECD) in 1996. Subsequently, the 2000s witnessed growing international engagement that coincided with intercultural initiatives, such as the export of Korean media, the creation of the Presidential Council on Nation Branding in 2009,<sup>4</sup> and the marketing of ‘brand Korea’ in the electronics and automotive industries.

The Moon administration’s NSP is not only a strategic foray into the South and Southeast Asian regions, but also a regional extension of soft power initiatives as well as middle power diplomacy. It was in the regions closest to South Korea that *Hallyu* – the Korean Wave of cultural production and dissemination – first took root. *Hallyu*’s popularity began with the export of select Korean dramas into China in 1997, Japan in the early to mid-2000s,<sup>5</sup> and gradually the Southeast Asian countries, such as Singapore, Thailand, Malaysia, Indonesia and the Philippines in the mid- to late 2000s. The dramas were followed by K-pop commercial success, resulting from the increasing popularity of K-pop bands, such as 2NE1, Wonder Girls and, more recently, Blackpink. Connected to the rise of Korean entertainment is the rise in cultural exports in the first two decades of the millennium, with TV programming exports increasing from US\$12.7 million in 1999 to US\$150.95 million in 2007<sup>6</sup> and cultural content exports reaching a total of US\$5.4 billion in 2014.<sup>7</sup> There was also

a noticeable increase in international tourism, from 4,752,762 visitors in 2003 to 15,346,879 visitors in 2018, with six of the top twelve nationalities for international visitors originating from Southeast Asia (Thailand, Philippines, Vietnam, Malaysia, Indonesia and Singapore).<sup>8</sup>

However, soft power is merely one aspect of the foreign policy of South Korea; more specifically, South Korea's projection of its middle power role. Official discourses on middle power and soft power resources appear to have co-existed in South Korea shortly after the turn of the century. Kang notes that the notion of soft power entered South Korean foreign policy circles in the mid-2000s. The Ministry of Foreign Affairs and Trade released a cultural diplomacy manual (2010) and white paper (2011)<sup>9</sup> which recognized the value of soft power and declared culture as the third pillar of diplomatic power in the 21st century.<sup>10</sup> But Kim's research into middle power initiatives from the Roh Moo-hyun to the Park Geun-hye government reveals that, while South Korea has officially staked claims to middle power status, the enactment of middlepowermanship in its policies has been nebulous.<sup>11</sup>

The inter-play of middlepowermanship and soft power projection ought to be examined in light of the renewed initiatives of the Korean government towards the Association of Southeast Asian Nations (ASEAN), considering that both the people-to-people and trade connections to the region have been enhanced primarily by soft power, while being couched in middle power discourses. In the following sections, both soft power and the concept of middlepowermanship will be examined together with their limits and challenges in South Korea's NSP towards ASEAN.

## Soft power and middlepowermanship

Soft power, a term coined by Joseph Nye in the late 1980s, refers to the means employed to appeal to and shape the preferences of actors. The break with traditional thinking, as presented by Nye, was that power, or 'the ability to influence the behavior of others',<sup>12</sup> can be either of a coercive or co-optive nature, with soft power using co-optation, as opposed to traditional military coercion or economic pressure to achieve desired outcomes. What Nye identifies as the resources of soft power – namely institutions, values, culture and policies – can attract people and states to ideas or ways of life they may admire or may want to emulate. Nevertheless, Nye

cautions that the use of soft power resources is highly dependent on the context in which they may be exercised,<sup>13</sup> signifying that even when a country has adequate soft power resources, it will not be using them to their highest potential if it miscalculates the limits of its own power or mistakes which socio-cultural, political or economic practices are appealing at the time.

Indeed, the norms and appraisal of a country's political or economic model have already been factored into the creation of soft power metrics, along with operationalized metrics of other aspects of culture typically associated with a country's attractiveness. In this regard, the creation of soft power indices has endeavoured to operationalize the dimensions of soft power by drawing from official data and opinion polls. Indices such as the Institute for Government (IfG) Monocle Soft Power Index<sup>14</sup> employ metrics within a general framework of dimensions that include business (with metrics on innovation, corruption and competitiveness), culture (such as international tourist arrivals, entertainment exports and successes in sport), government (effectiveness and policy outcomes), diplomacy (number of diplomatic missions, overseas development aid and participation in multilateral organizations), and education (quality of education and number of student exchanges as well as international students). While Monocle and the IfG have regularly released lists of various countries' soft power indices since 2010, the Soft Power 30 – released since 2015 – is a list produced by Portland, a strategic communications consultancy, and University of Southern California's Center on Public Diplomacy. In the 2018 Soft Power 30 index, objective data was collected on individual states' governments, digital presence, cultural initiatives, enterprises, engagement and education, amounting to 70 percent of the score, while the remaining 30 percent of the score comprised polling data on cuisine, technological products, friendliness, culture, luxury goods, foreign policy and livability.<sup>15</sup> The criteria were retained for the 2019 edition of the list, albeit with different percentage values (65 percent and 35 percent respectively). South Korea has done well on both the IfG-Monocle and Soft Power 30 indices, standing with Japan, China and Singapore as one of the few Asian countries that have successfully emanated and used soft power to its advantage.

The South Korean Presidential Council on Nation Branding formed in 2009 can thus be viewed as a government initiative to improve South Korea's ratings along these lines. Kim describes the 10 action points of the council,<sup>16</sup> which include promoting:

1	Taekwondo
2	Volunteerism
3	Supporting developing countries
4	Granting scholarships
5	Creating the Campus Asia programme for the mentorship of young Asian leaders
6	Providing external aid
7	Developing technology
8	Investing in culture and tourism
9	Improving the treatment of multicultural families and foreigners in South Korea <sup>17</sup>
10	Promoting 'global citizenship' amongst South Koreans

Soft power components – such as diplomacy, cultural and development initiatives, and economic innovation – overlap with some traditional aspects of middle power diplomacy. This correlation can be seen in the consistent rankings of Canada, Australia, France and Germany, all of which are states typically classified as middle powers,<sup>18</sup> a role which South Korea has aspired for itself.<sup>19</sup> Nonetheless, the concept of middle power is so nebulous that an article by Poteet declares in its title outright, 'Everyone is a middle power now'.<sup>20</sup> Some historical definitions of the term have outlined various types of middle powers. A well-known one can be found in Cooper, Higgott and Nossal, who describe the positional, geographical, normative and behavioural functions of a middle power.<sup>21</sup> Positional middle powers depend on the configuration of the international hierarchy of states, while geographical middle powers are situated either spatially or ideologically between great powers. States that tend to engage in mediation and facilitation are then normative middle powers, and a behavioural dimension of middlepowermanship centres on multilateral solutions, compromise behaviour in international disputes and 'good international citizenship'.<sup>22</sup> Various middle power definitions can also be linked to schools of thought in International Relations. For instance, behavioural definitions may 'correlate with the revival of liberalism and growth of constructivism in the post-Cold War period',<sup>23</sup> with their emphasis on multilateralism and the resolution of international disputes and common problems.

As for South Korea, external indicators show that the country demonstrates some aspects of middle power behaviour in the sense of good global citizenship. For instance, South Korea has played an active role providing overseas development aid, participated in and initiated various multilateral platforms, and demonstrated some forms of niche diplomacy, such as green growth.<sup>24</sup> Nonetheless, some commentators have observed that South Korea, while appearing consistent with global projections of other middle power states and recognizing its identity as a middle power in official forums, has not met up to certain expectations of middle power behaviour, particularly within its own region. Easley and Park, for instance, argue that while South Korea projects middle power behaviour in some bilateral relationships, it acts like a small state when confronted by China.<sup>25</sup> It has also been argued that South Korea has been unable to exercise middle power diplomacy to determine the terms of multilateral security engagements involving the Democratic People's Republic of Korea (DPRK, hereafter North Korea) and the United States.<sup>26</sup> Robertson argues that South Korea does not appear to make full use of the potential strategies that a middle power can exercise. The reasons for these limitations were also observed by Easley and Park,<sup>27</sup> who enumerated potential sources of the seemingly different behaviour of South Korea from typical middle powers, such as historical constraints, economic circumstances, stalled regionalism or the country's stage of economic development. In the case of South Korea, Kim further remarks that 'policy-makers [in South Korea] often use the term [middle power] without sufficiently unravelling its meanings and their ramifications. In addition, South Korea's use of the term 'middle power' has not been consistent from government to government'.<sup>28</sup>

In the following sections, the structural limits of middlepowermanship in South Korea will be analyzed in terms of its prospects for projecting both middle power diplomacy and soft power in Asia, particularly in Southeast Asia, through the NSP.

## Soft power in Asia

The recognition of soft power as a government strategy began picking up in the 2010s in South Korea.<sup>29</sup> However, this recognition was preceded by several top-down mechanisms that existed for cultural diplomacy. The history of efforts at cultural diplomacy in South Korea can be traced as far back as 1968 when it was decided to merge two government agencies – Ministry of Culture and Ministry of Public

Information – into one office, namely the Ministry of Culture and Public Information.<sup>30</sup> At that time, discourses of nation-building and public projection coincided with a constitutive discourse<sup>31</sup> and the simultaneous creation and projection of national culture that have since characterized South Korean efforts at cultural diplomacy.

It is at this juncture that soft power can be further contextualized in the North and Southeast Asian regions, which were the focus of Soft Power 30 in 2018. Nye, in his book on soft power, described some of the historical, cultural and economic bases of Asian soft power, with particular reference to Japan's successes in this area. The treatment of Asia has since become more nuanced, with other states in the region accruing considerable amounts of soft power and influence. South Korea's invigorated push towards Southeast Asia raises questions about how initial gains in soft power can be felt beyond development aid and cultivating cultural affinity through relatable 'Asian' values in K-dramas or movies<sup>32</sup> into more strategic domains. Research on the power of norms and their localization<sup>33</sup> may provide some ideas as to which transformational qualities can potentially result from soft power exchanges, although commentators, such as Li, caution that soft power tends to be fragile with inconsistent results.<sup>34</sup> Thus, soft power's embeddedness in harder forms of power, for Li, should not be neglected,<sup>35</sup> even more so in light of the rise of anti-liberal rhetoric across the world and the declining soft power of the United States.<sup>36</sup> Soft power trends have lent support to the fact that countries which offer divergent development and political approaches to the West are appealing. In the case of China, for instance, alternative international development strategies have become a source of their soft power in Africa<sup>37</sup> and a few states in Southeast Asia. South Korea's role in the changing nature of soft power thus remains of interest in terms of what norms it explicitly or implicitly promotes. For some observers, South Korea's soft power appears to be used for its own economic gain and the promotion of capacity-building and trade opportunities in some countries, rather than forming the basis of concrete institutional change or promoting a particular form of political order. In the case of Southeast Asian and South Korean exchanges, it also remains unclear as to what ASEAN, the regional organization which represents most Southeast Asian states, can offer South Korea. Furthermore, there is the question of how South Korea can differentiate itself from other powers, and how its middlepowermanship can be expressed beyond trade, cultural exchange and capacity-building, to avoid South Korea punching below its weight<sup>38</sup> in terms of middle power potential.



As mentioned, explanations of seemingly different behaviour in the exercise of South Korea's middle power diplomacy have ranged from the historical and the strategic to the structural. The geographical and political positioning of South Korea between the United States and China, the pursuit of security objectives concerning North Korea, top-down leadership, and the pace of regionalism are just some factors affecting South Korea's middlepowermanship.<sup>39</sup> Where South Korea appears to be most effective, both regionally and globally, is the field of niche diplomacy, in domains that are not overtly political in nature: culture, the environment, digitization and economics. A cursory glance, however, at the implications of South Korea's middle power strategies detailed in Kim's article<sup>40</sup> reveals that it will be difficult for ASEAN leaders to project the continuity and earnestness of South Korea to invest in ASEAN and engage on a multi-level platform for the resolution of critical issues. For instance, the ambiguity in the different iterations of the meaning of 'middle power' in South Korea has implications for future foreign policies. These definitions have typically wavered from 'setting a spatial boundary' to the limits of strategic thinking,<sup>41</sup> performing the actions expected of a middle-income, middle power state, to acting neutral and attempting to balance between the major powers. In terms of security, this has resulted in incoherent policy directions taken by previous administrations of South Korea. These range from efforts to lessen dependence on the United States, US-centred approaches or US-balanced diplomacy on one hand and varying positions or foci on economic cooperation, climate change and international development on the other.<sup>42</sup>

The lack of a firm set of principles that guide consistent and sustainable foreign policy behaviour may very well be shared by South Korea and ASEAN, a regional organization that relies on consensus and compromise to represent various state interests. Thus, the prospects for a new and more comprehensive partnership between South Korea and ASEAN ought to make use of the already existing people-to-people, cultural and capacity-related resources to enable both parties' most sustainable and substantial forms of cooperation.

## South Korea and Southeast Asia: Achievements and prospects

South Korea's projection of power into the Southeast Asian region, despite its potential, may thus be affected by the limitations that have been detailed. Due to the historical

and geopolitical factors, South Korea also appears unwilling to make a clear stand on the regional security architecture, with some commentators noting South Korea's reluctance to join the Quadrilateral Security Dialogue<sup>43</sup> and its inconsistency in 'work[ing] proactively in concert with similar states to contribute to the development and strengthening of institutions for the governance of the global commons'.<sup>44</sup> A further limitation considers the role of consolidation in terms of both soft power and middle power roles. Kang, for instance, argues that negative feedback from some recipient states of Korean soft power has encouraged the depoliticization and decentralization of international cultural exchange,<sup>45</sup> a tendency which is only likely to continue to co-exist alongside unilateral initiatives. Kang's treatment of the issue thus signals the potential of incongruency between government-led and privately initiated projects in the cultural realm. Similarly, a parallel to the incoherent soft power initiatives can be observed in the middle power rhetoric of numerous South Korean administrations – which vary from the role of South Korea as a 'balancer' or 'hub' or middle power, with different implications. Kim argues that the existing models of middle powers are primarily skewed towards Western examples and outlines a limited view of South Korean middlepowermanship based on historical and structural antecedents.<sup>46</sup> However, it remains to be seen if flexibility in terms of the changing power dynamics and sustainable foreign policy principles can be formulated through the NSP towards transformative potential for either South Korea or Southeast Asia.

Hoo, writing about the post-war relationship between South Korea and Southeast Asia, noted a significant event in the introduction of the *Saemaul Undong* (New Community Movement), a development model that relied on self-help and cooperation within rural villages to cope with rapid industrialization in urban centres.<sup>47</sup> It would, however, only be under the administration of Kim Young-sam, from 1993 to 1998, when the significance of trade relations with ASEAN was recognized. The interest and initiatives involving ASEAN continued under Kim Dae-jung's term from 1998 until 2003.<sup>48</sup> The fact that the impact of *Hallyu* in ASEAN and the concept of middlepowermanship was felt just when Southeast Asia was deemphasized as a matter of priority in foreign policy after the Kim Dae-jung administration is an opportunity that may still be seized in the new policy. There are, however, limits to the prospect of an ever-expanding reach of cultural material that expose the limits of cultural strategies in that they have collateral political and economic effects. The initial welcome of the cultural appeal of K-dramas in the civil populations of Northeast and Southeast Asia was eventually met with various forms of official backlash,<sup>49</sup> from limiting screen time and

allegations of new forms of cultural imperialism and sanctioning culture as a hawkish response to unrelated historical or security issues, fostering a permissive attitude towards deregulation and decentralization.<sup>50</sup> Some analysts, such as Li,<sup>51</sup> have even spoken of the death of soft power in general as states tend towards more explicit declarations of power.

On the commercial front, traditional media business models have recently been criticized for stifling the boundary-pushing creativity that generated the early successes. The formulaic approach of new films stands in stark contrast to the novel forms of cinematography and storylines that sparked the interest in such Korean films as *Oldboy*.<sup>52</sup> The vagaries of the entertainment industry suggest there are limits to South Korea's ability to fully utilize the media aspect of cultural diplomacy to enrich people-to-people relations with ASEAN, especially considering soft power's 'flightiness' when not anchored in other forms of power and collaboration.

The need for deeper cultural ties is further evidenced by what Hoo has called a lack of adequate and nuanced understanding of the Southeast Asian region, exemplified in a linguistic *faux pas* committed during Moon's 2019 visit to Malaysia, as well as a lack of Southeast Asian scholars and research centres in South Korea, despite years of investment in the region.<sup>53</sup> In light of commentary that the appeal of the Korean Wave has stagnated<sup>54</sup> and presently only has a limited audience, the strategic efforts undertaken by the Moon administration to take advantage of both the momentum of people-to-people relations and South Korea's investments in Southeast Asia are timely. The 3Ps (People, Prosperity and Peace) comprise a comprehensive set of joint economic, socio-cultural, educational and political goals to be undertaken between and amongst the ASEAN nation-states and South Korea.

Apart from expanding the scope of relations with ASEAN, a further hindrance has been the traditional focus of South Korea on North Korea, which arguably extends beyond a security dimension.<sup>55</sup> The creation of national culture has also been primarily based on a 'developmental state' narrative<sup>56</sup> in the post-Korean war era, which premised external projection of behaviour on a domestic need for national identity vis-à-vis North Korea. Another historical antecedent, aside from the priority of North Korea, in the peace and security agenda of South Korea is the issue of redress for Japanese wartime atrocities that has hampered bilateral trade and political relations with Japan. These

two factors denote that South Korea's main diplomatic and foreign policy objectives have revolved around issues not directly concerned with ASEAN as a whole. At the same time, South Korea's deferential posture vis-à-vis Beijing and its importance to the United States may also pose a challenging position for ASEAN.

In terms of strategic prospects, Southeast Asia offers a context in which South Korea's experience of democratic transition and economic growth can be of interest to policymakers, while Southeast Asia can further serve as a venue for the continuation of talks between South and North Korea, as well as a multilateral conduit of Japan-South Korea cooperation despite intermittent tensions. Despite the potential of the region, a sustainable and deeper bilateral and multilateral relationship can only be achieved by fostering continued and coordinated multi-level governance approaches that facilitate the success of South Korea's achievements in international development, soft power and cultural diplomacy, such as an understanding of ASEAN contextual nuances and civil society actors (or the 'people') combined with top-down governance within ASEAN institutions and frameworks. The participation in and promotion of achievable and mutual goals within multilateral forums involving key regional actors, such as China and Japan, may further strengthen the basis and credibility of South Korea to influence norms and structures related to security and other issues, and increase confidence at the level of policymakers.<sup>57</sup>

Previous efforts by South Korea have not increased significantly the number of free trade agreements (FTAs) (there are now three) with Southeast Asian countries or increased the trade volume with Southeast Asian countries, other than Vietnam. South Korea's cooperation with Vietnam, however, may potentially lead to opportunities in a greater scope of cooperation, such as the Mekong River,<sup>58</sup> where South Korea now has various projects. The cooperation in the Mekong region can act as a test of how water management, connectivity, economic activities, information and communications technology (ICT) – and, more importantly, the joint resolution of climate-change-related issues – can be enhanced under multilateral cooperation. The question, however, remains as to whether or not South Korea can significantly manage and stake a leadership role in resolving the challenges that face ASEAN Member States (AMS), such as freedom of navigation, the creation of economic opportunities, preparedness for climate change and natural disasters, and food security. Diplomacy in the niche area of green growth, for instance, needs to be consolidated with waste, air and

noise pollution that may ensue from the irresponsible consumption of some Korean export goods involving non-recyclable materials. It is hoped that the Korean Green New Deal can be developed as a niche area of cooperation between ASEAN and South Korea through the NSP.

The other issue pertaining to South Korea's goals in Southeast Asia is not merely one of expanding FTAs, the Regional Comprehensive Economic Partnership (RCEP) and digital connectivity. The main concern is still what South Korea brings to the table for ASEAN that differs from the other offers made by the major powers and what South Korea gains other than opening new markets or resolving trade issues. The NSP certainly captures these elements. It builds upon already existing cultural exchanges, such as those undertaken with the help of the Korea Foundation, Korea Creative Content Agency (KOCCA), Ministry of Culture and Tourism (with which the former is affiliated) and private organizations. However, sustainability is required in order to reap the often long-term and unpredictable rewards of this form of exchange. The interest in tourism, a growing multicultural population in South Korea,<sup>59</sup> as well as cultural and educational exchanges are not only useful for boosting the economy but may also produce nuanced and contextually-sensitive approaches to the economic and social diversity which characterizes Southeast Asia.

To summarize, the role of soft power and certain behavioural aspects of middle powers appear to have worked in South Korea's favour for the past few decades. However, the lack of sustainability in South Korea's policies and South Korea's relevance to ASEAN's goals remain challenges for the NSP. Thus, the NSP ought to:

1. Consider ameliorating historically weak comprehensive ties with ASEAN and ASEAN's diversity as a whole;
2. Continue to move beyond an inward-looking development model by having more consistent middle power and soft power goals. Kim, for instance, suggests a doctrinal approach or 'establishing principles'<sup>60</sup> to ensure the continuity of South Korean policies beyond South Korean presidential terms and to minimize the effect of identity concerns;
3. Continue to engage in multilateral forums, particularly those which involve countries with a dispute with South Korea, such as Japan, and yet also take leadership roles within these forums, or take a more significant role in initiating them;

4. Have a clearer vision and flexibility for changes in the world order; and
5. Determine key mutual goals for ASEAN and South Korea, while monitoring the progress of these goals. In an era of 'diminished hegemony and leadership',<sup>61</sup> South Korea will need a sustainable set of policies and a more apparent strategic role in the 'south' for the NSP to bear fruit.

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## Endnotes

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- <sup>29</sup> Kang, "Contemporary Cultural Diplomacy," 433-47.
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- <sup>31</sup> The term 'constitutive discourse' is an academic discourse; to 'bring together and reformulate these dispersed narratives in order to forge new political alliances and identities'. This definition is by M. Charland, "Constitutive Rhetoric: The Case of the 'Peuple Quebecois,'" *Quarterly Journal of Speech* 73 (1987): 133-50, quoted in Aysel Morin and Ronald Lee, "Constitutive Discourse of Turkish Nationalism: Atatürk's *Nutuk* and the Rhetorical Construction of the 'Turkish People,'" *Communication Studies* 61, no. 5 (2010): 485-506. In this case, it is about forming a new Korean identity through cultural and soft power projection.
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# Are the Economics of the New Southern Policy More Aspirational than Real?

Steven C.M. Wong

Since President Moon Jae-in of the Republic of Korea (ROK, hereafter South Korea) announced the New Southern Policy (NSP) in November 2017, a stream of articles and commentaries providing context and justification has been published in support of the NSP. There has not been much public fanfare or controversies. Considering the firestorms dogging Chinese President Xi Jinping's much better-known Belt and Road Initiative (BRI), this is just as well. In contrast, the BRI and the Free and Open Indo-Pacific (FOIP) – the response pursued by Japan, the United States, Australia and India – have become overarching and polarizing dividing lines.

As is well known, South Korea depends on the United States for its security. While South Korea contends primarily with the Democratic People's Republic of Korea (DPRK, also known as North Korea), it knows from first-hand experience that acts that antagonize its Chinese neighbour have consequences. This is what analysts and commentators have described as South Korea's 'dilemma'. Therefore, South Korea has had to carefully avoid embracing both the BRI and FOIP and, instead, steer a course in-between.

The Association of Southeast Asian Nations (ASEAN) finds itself in similar circumstances. It too does not wish to be drawn into escalating tensions over which its member states have little control. ASEAN only arrived at its position on the Indo-Pacific, the 'ASEAN Outlook on the Indo-Pacific', after much sensitive deliberation. By no stretch of the imagination can ASEAN's position be described as supportive of the FOIP.

For South Korea, the NSP's strategic significance cannot be underestimated. As Kwak starkly noted, 'The NSP can be interpreted as the outcome of *Korea's struggle for survival in a rapidly changing international environment*'<sup>1</sup> (emphasis added). The NSP has also been described by officials and commentators as a means for South Korea to reduce its susceptibility to coercion, gain greater policy autonomy by leveraging its close relations with countries in the region, while tapping into the region's growing economic potential and interdependence. Since South Korea and ASEAN seemingly have broadly shared concerns and interests, it seems almost a 'no-brainer' that the group of middle ground countries can be organized to possibly become a stabilizer in an otherwise uncertain and unstable region.<sup>2</sup>

Corresponding to ASEAN's three communities (of political-security, economy and socio-cultural), the NSP was formulated with Three Pillars: a security component (Peace); an economic component (Prosperity); and a social component (People). While much has been accomplished in the latter two areas, the explicit assumption that ASEAN-ROK economic relations will be a linear continuation of developments in the past 30 years should be challenged.

First, ASEAN-ROK economic relations cannot be expected to exceed comparative advantages and economic complementarities. These two factors are by no means the only ones that drive economic relations, but they are basic and important ones.

Second, for ASEAN-ROK economic relations to be sustainable, long-term productivity (income) differentials will need to close, if not converge. South Korea is the classic example of an economy that has found new, dynamic comparative advantages, but this cannot be assumed to be true for most, let alone all, ASEAN members.

Third, ASEAN-ROK economic cooperation will eventually exhaust the benefits of participating in the lower stages of global value chains and will have to rely on innovation and knowledge to move up the value chain. Unless intellectual property protection

and joint collaboration on innovation and network economy are implemented, there is as much prospect for decline as there is for improvement in ASEAN-ROK economic relations.

Fourth, the NSP assumes that, when ASEAN achieves Community status in 2025, ASEAN will be better integrated. This assumption may be incorrect and there are already signs that South Korea is realizing it will have to deal with ASEAN at both the regional and bilateral levels to secure progress.

ASEAN-ROK economic relations are and have been flourishing, especially after 2010.<sup>3</sup> Considering that South Korea is not the only Dialogue Partner seeking to strengthen economic relations with ASEAN, are there distinctive features in the NSP that creates new opportunities? How will new technologies of the Fourth Industrial Revolution (4IR) affect the relationship?

The NSP is much more than the expanding number of key tasks and core projects identified by the Presidential Committee on NSP.<sup>4</sup> But President Moon's term is now past the halfway mark and much more will have to be done soon if the NSP is to leave a lasting legacy.

## Limits of comparative advantage and complementarity

Here are some often quoted facts. One, merchandise trade between ASEAN and South Korea has grown by a multiple of 20 in 30 years. Two, collectively, ASEAN is South Korea's second largest export market; South Korea is ASEAN's fifth. Agreements in goods, services and investment were initiated in the mid- to late 2000s, so that an ASEAN-Korea Free Trade Agreement (AKFTA) could be declared by 2010. These initiatives followed similar ones with the People's Republic of China.

ASEAN-ROK institutional arrangements have certainly facilitated these transactions, but there is, as yet, no unambiguous evidence that the arrangements have been pivotal. Early studies of the AKFTA have failed to demonstrate that it has a statistically significant role, but it was hoped that the agreement would have bullish effects on trade creation and welfare gains.<sup>5</sup> Later, it was proven that the AKFTA does have a positive impact on foreign direct investment (FDI) due to the size of ASEAN's market

economy, which has motivated South Korean multinational corporations to invest their assets in AKFTA member countries, regardless of their diverse industrial developmental stages.<sup>6</sup> The AKFTA introduces various frameworks to reduce the number of sensitive items, liberalize goods and services, and improve customs procedures and trade facilitation in a systematic manner.

Most free trade agreements are often plagued by problems of low utilization rates of FTA preferences.<sup>7</sup> However, this does not appear to be the case with the AKFTA as it covers well over 50 percent of the trade among Myanmar, Vietnam, Indonesia and South Korea. Second, the net trade effects are often complex, owing to the 'noodle bowl' of regional and bilateral agreements with different levels of preferences. Small and medium enterprises often find it difficult to access them.

The AKFTA was first signed in 2006 (Goods Agreement) and last substantiated in 2009 by an additional legally binding framework of ASEAN-Korea Investment Agreement that protects investors from both sides. According to Kanazawa and Kang, the AKFTA 2006 Goods Agreement did not improve the FDI in the member countries, but the AKFTA 2009 Investment Agreement has a positive impact on FDI in the member countries.<sup>8</sup> This positive impact would encourage horizontal investment, which will benefit small and medium enterprises. With the setting-up of the ASEAN-Korea Startup Centre, this would potentially provide a convincing case of good FTA preference utilization rates in the case of AKFTA.

Several significant initiatives are being negotiated at this time, but none has been concluded or entered into force. By 2012, twelve countries in the region were negotiating the Trans-Pacific Partnership (TPP) and, although it started as an arrangement among four small economies (the P-4), the United States soon became its main champion. From ASEAN, Brunei, Malaysia, Singapore and Vietnam participated, while from Northeast Asia, only Japan was involved. It was clear, however, that the United States had the goal of making the TPP *the* single agreement covering all of Asia Pacific.

In 2012, ASEAN initiated the Regional Comprehensive Economic Partnership (RCEP), which included China, South Korea and Japan, and for good measure, India, but without any North or South American country. There were certainly ambitions early on for the RCEP to be a 'high quality' agreement like the TTP, but it is debatable

whether this goal was achieved. Negotiations concluded in late 2019 and ASEAN and South Korea are hopeful that the agreement will be signed by the end of 2020.<sup>9</sup>

According to Terada, FTA proliferation in East Asia, where ASEAN has served as a hub in ASEAN Plus One FTA networks, has created competitive regionalism.<sup>10</sup> Japan and South Korea are the leading bilateral FTA initiators, creating multi-layered and competitive trade and economic partnerships, which were later joined by China and other ASEAN Dialogue Partners. Japan is currently the leading FTA partner of ASEAN, followed closely by China. South Korea has just joined this FTA proliferation movement, and is presently exploring niche areas with ASEAN at the multilateral institutional level and also at the bilateral level.

South Korea's first bilateral FTA was with Singapore in 2006, while the second, with Vietnam, went into effect in 2015. South Korea then engaged Indonesia in negotiations over the Indonesia-Korea Comprehensive Economic Partnership Agreement (IK-CEPA) and concluded in late 2019 in time for the 30th ASEAN-ROK Commemorative Summit in Busan. An agreement with the Philippines is expected to be concluded in 2020, while negotiations with Malaysia were initiated in July 2019.

Robinson and Thierfelder's 1999 study on 'Trade Liberalization and Regional Integration', which addressed the debate on the correlations of trade liberalization and welfare benefits, highlights 'welfare' as the real gross domestic product (GDP) or equivalent variation on the macro level.<sup>11</sup> Estimations of per capita income elasticities typically show that the growth of ASEAN economies leads to a positive growth in Korean exports. The removal or reduction of tariffs would enhance such effects, depending on the level of tariffs and the trade that takes place. However, given that tariffs have generally been on the decline, it is the liberalization of non-tariff measures that will have the largest market access effects.

Viewed from the supply-side, the picture is less sanguine. In the past 30 years, the composition of trade flows between South Korea and ASEAN has changed somewhat in terms of processing stages and technological content. South Korea's trade with ASEAN's larger economies has become more diversified, while its trade with the smaller, resource-dependent economies has remained about the same or become slightly more concentrated.<sup>12</sup>

While the trade and investment reforms have resulted in additional growth in the short term, ‘the fundamental challenge for both Korea and ASEAN in years to come is how to create a new motivation for bilateral economic, trade and investment relations between the two regions when the positive impacts of AKFTA and other current cooperation programmes are likely fading away’.<sup>13</sup>

Creating a more open trading environment through multiple regional and bilateral FTAs, however, does not necessarily guarantee that the parties will be able to enjoy the benefits. In addition, there is no reason to think that ASEAN’s importance to South Korea will outrival that of the latter’s other economic partners.

Finally, it is debatable whether the Presidential Committee will make available to ASEAN financial resources comparable to those already made available by the BRI and, on a much smaller scale, the US Indo-Pacific Strategy.

## Limits of productivity convergence

The increasing trade between ASEAN and South Korea has been accompanied by increasing trade imbalances, at last count in 2019, by more than US\$40 billion in the latter’s favour. Considering the complex production networks nowadays, there are serious shortcomings in using bilateral trade balances as a criterion. But, for lack of a better measure, these figures are still used.

Not surprisingly, trade imbalances are considered sensitive political issues and not discussed much. While economists disagree on the causes and consequences of trade surpluses and deficits, there is acknowledgement that they are the outcomes of policies. These policies include fiscal and financial (including real exchange rates) policies, in addition to the commonly cited restrictive trade and investment policies.

So far, the trade imbalances do not appear to be major obstacles in the case of ASEAN-ROK as the parties are still prepared to consider liberalization vis-à-vis one another, which implies that the relationships are rational and pragmatic. For a relationship to be stable and productive, however, the relationship has to be mutual, that is, both parties should improve and productivity gaps should narrow, if not fully converge.

Transitioning from lower to higher value-added activities is no easy task for most economies, hence the term ‘middle-income trap’ (MIT) was coined. South Korea was recognized as an ‘Asian tiger’ in the 1980s by virtue of its high level of manufactured exports, but it too encountered a MIT. South Korea only managed to move up the global value chain (GVC) after the post-1998 Asian financial crisis economic reforms and then only in some sectors.<sup>14</sup>

The more open ASEAN Member States (AMS) have benefitted from Japanese, Korean and now Chinese inflows of FDI and being nested in global production networks and value chains. Singapore and Vietnam, in particular, have been major recipients of South Korean capital. The question is whether these trends can be sustained over time.

In the first place, being part of a GVC may be a ‘mixed blessing’. Trade models have frequently shown that smaller economies benefit significantly when their trade partners are richer and larger. Countries with low levels of development, for example, Cambodia, Laos and Myanmar, may experience a productivity boost<sup>15</sup> and trade liberalization theories have predicted that increased efficiency and productivity will lead to greater welfare gains. Hence, it is unsurprising to find studies showing that the AKFTA has positively impacted Laos, a country with a smaller economy.<sup>16</sup>

Other countries, however, may find it more difficult to lock in gains and move up the GVC. In language reminiscent of the old centre-periphery development theories, it has been argued there are ‘asymmetric power relationships between lead firms in advanced countries and suppliers from developing regions, such that firms are often locked in low-value activities’.<sup>17</sup>

How trade and investment liberalization pacts are negotiated may also have the effect of protecting the weaker parties and/or conferring privileges to economically stronger parties.<sup>18</sup> In seeking to protect more vulnerable workers and industries, the consequence has been to reduce welfare benefits. Within ASEAN, the liberalization of services, which has the potential to contribute significant welfare benefits, has been extremely laggard.

Again, the mere existence of a level playing field does not necessarily ensure that games will be played. Korean investors, like all others, have constrained financial resources and need to establish that not only production criteria and investment hurdles, but



also longer-term business strategies, marketing and political risk management goals are met. One of the major payoffs weaker partners expect from free trade/economic partnership arrangements is FDI. In the cases of Singapore and Vietnam, this has paid off handsomely. For others, however, the future might not be so rewarding.

Technological trends, in particular, the acceleration towards robotics, automation and artificial intelligence (AI), are eroding the comparative labour advantage of ASEAN economies. ASEAN textile and clothing exporters, for example, are expected to be especially hard hit. In the electronics sector, industrial activities are already being re-shored to the source countries.

ASEAN-ROK economic relations will be affected by these technological trends. As both entities wrestle with their respective challenges, it is not a given that developments in the next three decades will be a linear continuation of developments in the past three. Both parties will be shifting towards new bases of dynamic comparative advantage and, while there is every chance South Korea will still maintain strong partnerships within ASEAN, it is not a certainty that this will be the case with the entire bloc.

## Limits to innovation, knowledge- and network-driven cooperation?

Given the increasing importance of innovation, intellectual property rights (IPR) and returns to scale, the so-called 21st century trade and investment pacts are a combination of market access provisions and text disciplines to protect the holders of IPR. Some economists, mainly but not exclusively from the developing world, have even taken the stance that strong IPR regimes are inimical to development and social welfare. This issue, for example, has taken centre stage with respect to life-saving drugs used to treat such diseases as diabetes, hypertension, HIV/AIDS and hepatitis. No doubt, these debates will resurface when a vaccine is found for COVID-19.

As far as ASEAN is concerned, there is general awareness that intellectual property (IP) protection is required. Those participating in the ASEAN RCEP, however, have not adopted maximalist but minimalist ones. These allow parties to pursue their own national regimes and/or default to a multilateral one such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).



A South Korean government agency has estimated that IPR-intensive industries in South Korea accounted for 43 percent of GDP and 29 percent of total employment in 2015.<sup>19</sup> These figures will increase with time, necessitating South Korea to improve its own IPR and copyright protection, as well as those of its economic partners.

At present, South Korea is not yet such a major exporter of knowledge- and technology-driven products that IPR are core elements of its foreign trade. Its revealed comparative advantages accrue to such sectors as machinery, transport and so forth. Over time, however, the knowledge, innovation and IP content of trade is likely to grow and these will typically belong to corporate entities and not governments.

If there is to be greater cooperation between and among entities, much higher standards of legal protection and enforcement will need to be implemented as this facilitates research cooperation and pooling, applications for patent protection and commercialization, especially among universities and research institutes. The presence of venture capital and private equity firms also encourages the innovation ecosystem by adding value to processes and shortening the time to market. In this way, trust is built, which surmounts resource constraints and enables capabilities of national innovation systems to be increased and problems to be overcome.

Since initiating the NSP, South Korea has become more forthcoming with what might be called science and technology diplomacy in relation to ASEAN as a whole and with the individual member states.<sup>20</sup> The signing of Memorandums of Understanding (MOUs) and, in some cases, the creation of centres is highly symbolic and important, but gives no assurance that they will substantively impact present or future performance. The MOU between South Korea and Malaysia, for example, has a long laundry list of items including big data, artificial intelligence, software, digital content and broadcasting, Internet of Things (IoT), 4G and 5G, e-commerce and cybersecurity.<sup>21</sup>

Compare the South Korea-Malaysia MOU with the '2+2' collaboration among Singapore's Agency for Science, Technology and Research (A\*STAR), the Korea Institute for Advancement of Technology (KIAT) and their respective industry representatives.<sup>22</sup> For 2019, the focus was on just three areas, namely, digital healthcare, customized biomedicine and smart medical devices that 'are ready-to-market solutions which have significant market potential for South Korea and Singapore'. To be sure, it is doubtful whether any other ASEAN member has the capabilities and ecosystem to

undertake such research collaboration. In this important aspect, however, this example exemplifies the imbalanced character of the ASEAN-ROK relationship, going well beyond the often-quoted monetary value.

Another set of issues that will shape ASEAN-ROK economic relations going forward is the increasingly important role of the digital economy and networks. Social media, e-commerce platforms and payment systems are major ways to connect suppliers, producers, consumers and service providers. Like all networks, the more participants there are, the greater is the value of being a participant, and also the higher is the cost of withdrawal.

E-commerce platforms are another rapidly growing component of the emerging digital economy. This market is expected to exceed US\$200 billion in ASEAN by 2020.<sup>23</sup> South Korea and ASEAN members have a number of e-commerce platforms, but they are neither poised for nor positioned in each other's markets.

The region's top e-commerce platforms are Alibaba's Lazada and Tencent's Shopee, which are prominent in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. Individual countries have their own platforms, such as South Korea's Coupang and Gmarket, Indonesia's Tokopedia and Bukalapak, Malaysia's Lelong, Singapore's Qoo10 and Vietnam's Sendo.

These are open business-to-consumer (B2C) and/or business-to-business (B2B) platforms meaning that any supplier can participate. In the future, however, developments such as deep personalization through blockchain technology, may make network participation effects even more strategic by increasing the 'locked-in' costs of inclusion and exclusion.

IPR, collaborative research and commercialization and participation in established network economies are literally gateways to the future. If ASEAN-ROK economic relations are to flourish as they have in the last three decades, it would appear that more will have to be accomplished on these fronts.

## Limits to ASEAN Economic Community 2025

It has become standard practice for East Asian Dialogue Partners, and South Korea especially, to accord ASEAN political formality and deference. The unwritten rule seems to be that, the closer the geographic distance, the greater the need to behave in such a manner. The reasons appear to be more political than substantive. Southeast Asian states place stock in its regional association and, therefore, require its partners to do so too.

At the same time, Dialogue Partners recognize there is value in accessing a well-established multifunctional platform for regional engagement. Despite having to invest a great deal of time and manpower resources, having this platform is convenient and sometimes has even come in very useful.

ASEAN Dialogue Partners have learned they have to adopt a dual-track, regional and bilateral, approach if they are to achieve some substance to back the symbolism. The bilateral approach can actually be the preferred one as it frees both parties to pursue goals without being slowed or blocked by interests of other members.

Those who do not understand ASEAN's inner workings tend to take ASEAN and its declarations at face value. However, there is reason to be concerned when the gaps between the goals of ASEAN's declarations, its action plans and its blueprints, some of which are of very high quality, are considered. Taking ASEAN at face value leads to reflexive thinking that assigns ASEAN value, meanings and capabilities ASEAN is not and has never been capable of.

One can be excused for thinking that this dynamic has somehow come into play with the NSP. The idea that ASEAN can be South Korea's 'middle power ally' would suggest this, unless the idea is a disingenuous one. After all, ASEAN can agree on some things, but not everything. An example would be how ASEAN has addressed the Korean Peninsula issue through its statements and declarations, but not obligations.

Still, some ASEAN members would be offended if their claims of becoming a 'Community' by 2025 were to be challenged. They would cite the need to be different from the European Community and/or European Economic Area and that they still meet the standards to be considered a Community, even if there are areas that are still work-in-progress.

Dialogue Partners such as South Korea do not stand to gain much politically by pointing out ASEAN's economic lacunae and shortfalls. It is much better to perpetuate the myth of regional community and patiently encourage progress. If nothing, ASEAN provides the opportunity for regular summits and ministerial meetings, something that is often taken for granted rather than celebrated.

To be fair, the ASEAN Economic Community has shown a great deal of vision and energy since they first began meeting in 1975.<sup>24</sup> Despite often ambiguous or debatable results, there are also efforts to pragmatically push the envelope. This can be explained by the fact that the ASEAN Economic Ministers have a vibrant constituency, namely, their respective private sectors.

Since 2017, however, Korean strategies towards ASEAN seem to have evolved and become more targeted and pragmatic. South Korea's interests benefit from speedy processes, which are more autonomous and less ASEAN bound. Thus, in addition to synthesizing South Korea's policy pillars with ASEAN Community structure, setting up a new framework of cooperation with the Mekong region countries to increase investment in the least developed ASEAN states, promoting goodwill and expanding Korean influences by complementing the existing ASEAN frameworks, and maintaining a dual regional-bilateral track approach will fulfil the NSP's aspiration to deepen South Korea's partnership with ASEAN.

However, the COVID-19 pandemic in 2020 has hit South Korea's export-oriented economy particularly hard. The South Korean economy now risks falling into the worst recession since the Asian Financial Crisis in the late 1990s. After receiving worldwide and regional acclaim for its successful pandemic response, South Korea is turning its COVID-19 governance into a global public health diplomacy campaign. The South Korean government has devised a post-pandemic economic recovery plan known as the Korean New Deal or K-New Deal.

The K-New Deal aims not only to revitalize domestic economies, but also to lead the post-coronavirus world with its advanced technology and efficient medical infrastructure by transforming the export-reliant economy to digital and green economies. By harmonizing emerging advanced digital infrastructure with sustainable development elements, including establish digital connectivity to farming and fishing villages – which could reduce the carbon footprint of economic activities – South Korea can

create new niche areas of cooperation with such regional partners as ASEAN to lead regional efforts in post-pandemic recovery cooperation.<sup>25</sup>

If the NSP were to feature in such important Korean policy matters as the 'Korean New Deal', an extremely important attempt to stimulate the post-COVID-19 Korean economy, it would possibly be taken more seriously. The 'K-New Deal' has been described (rather grandly) by President Moon as 'the architect to design the Republic of Korea's new century .... With the two pillars of a digital new deal and a green new deal, we will move ahead as a leading country riding the wave in the world history'.<sup>26</sup> If this is not exaggeration, it may be productive if, instead of being a standalone policy, key aspects of the K-New Deal were interfaced with ASEAN and its member states under the NSP.

In the ASEAN Master Plan on ASEAN Connectivity (MPAC) 2025, the digital economy is a key element.<sup>27</sup> As various Korean industries are already heavily invested in the ASEAN Smart Cities Network (ASCN), the converging niche area of cooperation means that the K-New Deal can be incorporated as part of the NSP's implementation blueprint, which will be welcomed by AMS. If the digital connectivity and green economy are incorporated into the NSP and actionable plans are implemented, the future of the ASEAN-ROK partnership will not be bleak in a post-COVID-19 world.<sup>28</sup>

## Conclusion

By all accounts, the NSP has hit the right diplomatic buttons with ASEAN. The NSP has sound objectives and rationale even though its details are not always clear. The question that was asked in 2017 and is still being asked at the time of writing is whether any substantive outcome will emerge. Citing broad macro and structural trends may be sufficient for political and diplomatic purposes, but they are hardly assurances that ASEAN will be the valued economic partner as presently envisaged by South Korea. After all, China and other countries in the region are also courting ASEAN aggressively. It is entirely plausible that, with the continuing trends towards unbundling and re-shoring, there may even be a decline in economic interactions between South Korea and ASEAN.

The stresses and strains within the Asia- or Indo-Pacific region are likely to remain and may grow – with or without the NSP. Closer economic cooperation between ‘middle powers’ or, what might be a more appropriate description, ‘potential victims’ of superpower rivalries, adds a dimension of stability that perhaps would otherwise be unavailable.

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# Next Generation Technologies and Cybersecurity: Considerations for ASEAN and South Korea

Farlina Said



President Moon Jae-in's visits to Southeast Asia between 2017 and 2019, aimed at promoting the New Southern Policy (NSP), sought to establish and strengthen collaboration between South Korea and ASEAN in a number of areas. The Co-Chairs' Statement of the 2019 ASEAN-Republic of Korea Commemorative Summit 'encouraged' the ASEAN-Korean Business Council (AKBC) 'to work closely' with the ASEAN-Korea Centre 'to help transform ASEAN into a digital-driven economy and prepare our peoples for the newest technological developments in emerging industry sectors including 5G technology, Artificial Intelligence, Banking & Finance and e-Commerce'.<sup>1</sup> With the ASEAN ICT Masterplan 2020 addressing emerging technologies and calling for ASEAN Micro, Small and Medium-sized Enterprises (MSME) to pursue business opportunities for the Fourth Industrial Revolution (4IR),<sup>2</sup> it is clear that, going forward, the emerging technologies will be one of the areas for substantial South Korean and ASEAN collaboration.

The Republic of Korea (ROK, hereafter South Korea) is well prepared for how the 4IR will transform global and national economies and societies as the South Korean economy has steadily shifted from one based on manufacturing to one based on innovation. When President Park Geun-hye took office in 2013, she implemented



her 'creative economy' policy, which 'promoted convergent IT and software technologies, scientific discoveries and technology integrating with cultural content for sustainable economic growth'.<sup>3</sup> While science and technology are part of most national economic policies, the 'creative economy' was centred squarely on science and technology, information and communications technology (ICT) and job.<sup>4</sup> Shortly after President Moon Jae-in took office in 2017, the Presidential Committee on the Fourth Industrial Revolution (PCFIR) was formed.<sup>5</sup> To achieve what President Moon has called 'innovative growth', South Korea will invest substantially in the emerging technologies, inclusive of 5G technology, so that South Korea becomes a 'key leader' in this area.<sup>6</sup>

While the 4IR seems like it is a catalyst for growth in productivity, the technology used, in both civilian and military domains, raises national security concerns. If a component in a device used in the security sector is compromised, battles can be won and lost before they are even fought. Thus, in 2019, both the United States and China enacted laws restricting the import of products, which pose security risks into their respective countries. Another issue affected by the 4IR is that of sovereignty. When data servers can now be physically in one location while their owner is in another, what is the appropriate response when state A's server – located in state C – is attacked by state B? Due to the emergence of such security issues, it has become critically important for the military and government agencies to protect their systems. ASEAN Member States (AMS) will have to grapple with a technology gap among its members. As this gap impacts the security of ASEAN, future discussions must address training to bridge this gap. Only when the AMS are equally skilled and sophisticated in producing and managing hardware, software and the emerging technologies will its systems be resilient.

At the heart of these issues are the linkages between innovation, knowledge and cybersecurity. Innovations are dependent on ecosystems that can produce and deepen knowledge, accompanied by the production bases to produce its relative outputs. These ecosystems require developed infrastructure, human capital and a research and development (R&D) culture. As nations with infrastructures and human capital continuously innovate – thus increasing the concentration of knowledge in specific parts of the world – the gap between developing nations and those dominating the innovation chains gets wider. What the developing states require is the transfer of information and infrastructure, including the capabilities from 5G

technology, to build innovative cycles and launch industries that can bolster their cybersecurity.

## The promise of 5G

South Korea is the first country in the world to commercialize 5G services. As of April 2, 2020, South Korea had 5.77 million subscribers to its 5G services and the highest 5G penetration rate in the world of 9.67 percent.<sup>7</sup>

It should be noted that 5G connectivity enables the Internet of Things (IoT), a network which hosts a wide range of devices (from refrigerators to drones) that aims to greatly improve lifestyle, productivity and governance. As 5G technology delivers speed 20 times faster than 4G, it is expected to vastly increase computational capability, which is required for services leveraging artificial intelligence (AI) or cloud computing.<sup>8</sup> With the increased speed of 5G connectivity, even intricate processes such as remote surgeries can be performed.<sup>9</sup> When launching 5G services, President Moon stated that the projected global 5G market is worth ₩1.16 quadrillion.

There are two issues related to the use of 5G technology. The first has to do with how extensively a population has adopted this technology. In April 2020, the rate of 5G penetration was only 1.3 percent for Australia, 0.69 percent for China, 0.68 percent for the United States and 0.56 percent for the United Kingdom.<sup>10</sup> South Korea's strategy for adoption has been through bundling with various devices, where 5G devices would be able to offer special content on 5G Virtual Reality, 5G Augmented Reality, 5G Baseball, 5G Golf and 5G Idol.<sup>11</sup> However, adoption rates are affected by such conditions as technology, policy and market or operator readiness.<sup>12</sup> Technology readiness refers to the availability of the required chipsets and whether the present system is interoperable with the next generation technology. Policy readiness pertains to whether policies regarding spectrum allocation, pro-investment environment and pro-innovation ecosystem are in place. Market readiness builds from a 4G community to an environment enabled by 5G, which includes the opportunities driven by 5G, the human capital needed to leverage on such technologies as well as use cases that would be beneficial for society and industry.<sup>13</sup>

The second set of issues pertains to investment outreach, which is related to a nation's foreign policy to develop and promote ICT or a company's expansion abroad. South Korea was the first country partner of ASEAN's Smart Cities project, where the first project embarked on was in Kota Kinabalu,<sup>14</sup> which included an upgrade of Kota Kinabalu's ICT.<sup>15</sup>

5G promotion, in particular when a major corporation or state is involved, leads to concerns about technological competition because of control over standards. The standards, whether developed by the 3rd Generation Partnership Project (3GPP), a coalition of seven telecommunications standard development organizations, or the International Telecommunication Union (ITU), a United Nations (UN) specialized agency for ICT, are divided between the US-developed coding method 'LDPC' (low-density parity-check) or 'polar codes', the alternative supported by Huawei.<sup>16</sup> While Samsung, Nokia, Intel and some American companies favour the LPDC, the size of the Chinese market means that the 'polar codes' championed by Huawei cannot be ignored. To help the AMS navigate the geopolitics affecting the technical domains and access to markets, the announcement by the Co-Chairs of the 2019 ASEAN-Republic of Korea Commemorative Summit of a joint feasibility study to establish the ASEAN-Korea Standardization Joint Research Center and the proposal of a joint working group to establish an ASEAN-Korea Industrial Innovation Center would be useful.<sup>17</sup>

For less developed countries, the adoption of 5G technology is fraught with difficulties. One is the approach to adoption. As infrastructure is upgraded from existing systems with limited resources, the speeds obtained would not compare with the speeds of standalone 5G infrastructure. Considering its much larger capacity, ultra-fast connectivity and support of larger use cases, it is no surprise that standalone 5G networks offer much better performance.<sup>18</sup> Another consideration is the availability and cost of 5G-enabled devices. Mobile phones that are capable of using 5G networks are in the nascent stages of deployment and are quite expensive. When South Korea, the first country to commercialize 5G, rolled out its 5G service, SK Telecom, KT and LG Uplus indicated such problems as low speeds and poor connectivity.<sup>19</sup> Thus, while standalone 5G infrastructure seems an attractive choice for AMS seeking to enter the 4IR, adopting 5G technology gradually while continuing to use 4G networks is more practical, especially since the deployment of 5G is not an overnight endeavour and is most likely a project with a protracted timeline.

Another difficulty is maintaining data security. As computing becomes increasingly sophisticated, data is processed throughout a network, which poses jurisdictional challenges to a state's control over the data. Hence, data localization laws have become part and parcel of discussions to maintain state control over social networks, particularly when a state seeks to control certain types of social discourse.

The interconnectivity brought about by 5G technology has significant impact, as confidential and sensitive information may be compromised. Governments and the military must improve their cyber defences to guard against cyberattacks, while civilian networks may be subject to surveillance by government and intelligence agencies, leading to issues of invasion of privacy by the state. Ultimately, network security will depend on the harmonization of standards, norms and practices.

## The supremacy of knowledge

For AMS, the significance of 5G lies not only in the adoption of 5G technology, but also in the understanding and resolution of issues that stem from the usage of 5G. Doing so would require technical aptitude, the ability to reverse engineer, critical thinking and R&D capabilities. Thus, adopting and using 5G technology cannot be separated from the Knowledge-based Economy (KBE) that has shaped the ecosystem of innovation, standard-setting, manufacturing and tacit concentration of knowledge in today's geopolitical competition.<sup>20</sup>

As articulated by the World Bank, a KBE is 'an economy in which knowledge is acquired, created, disseminated and used effectively to enhance economic development'.<sup>21</sup> According to the World Bank, these processes will result in better distribution and more efficient business models.<sup>22</sup>

In their quest to develop rapidly, nations should engage the KBE and develop their R&D as well as innovation capacities.

## South Korea's experience

As the first country to market 5G services, South Korea is the quintessential example of how a KBE has successfully embraced innovation.<sup>23</sup> The groundwork for South

Korea's transformation began with such policies as compulsory education, land reform and the promotion of both export- and import-substitution industries.<sup>24</sup> In the mid-1970s, heavy and chemical industries (HCI) became the focus of the Korean government, with an emphasis on technological and human resources development.<sup>25</sup> While the promotion of the HCI led to the development of a skilled labour force, it also resulted in various issues, for example, accelerated inflation, concentration of economic power in large businesses and misallocation of resources.<sup>26</sup> These issues were only mitigated by the internationalization and liberalization policies in the 1980s and 1990s.

Rising wages in the 1990s and the 1997 Asian financial crisis propelled South Korea's turn to the KBE. Suh states that science and technology has been the goal of South Korea's development since the 1960s, with targets set for every decade, including the legal and administrative framework for scientific institutions (1960s), scientific infrastructure and specialized institutions (1970s), R&D, private research centre promotion and national R&D programmes (1980s), lead role in strategic technological goals (1990s), and building national and regional innovation systems (2000s).<sup>27</sup> Suh also highlighted the relationships between government expenditure on research and development (GERD), business expenditures on research and development (BERD), and international competition.<sup>28</sup> Since 1964, the ratio of government to private-sector share of Korea's R&D expenditures has shifted from approximately 19:1 to 1:3.<sup>29</sup> International competition motivated the South Korean private sector to move from importing technologies, assimilating and adapting to innovating via domestic R&D efforts. South Korea's success would not have been possible without simultaneous moves by the government and the private sector as calculated government intervention allowed the development of South Korea's education, ICT infrastructure and innovation systems.<sup>30</sup>

South Korea's experience exemplifies deliberate state intervention driving economic policies, the necessity of developing infrastructure and skilled labour, as well as strategies taking advantage of opportunities created by innovation. The connectivity of South Korea's R&D institutes, along with its eventual propagation by the private sector, generated innovation cycles. As the 4IR requires infrastructure, competitive economic policies and R&D capacity, these are areas for potential collaboration between South Korea and AMS. Collaboration has already begun, such as the role of the Korea International Cooperation Agency (KOICA) and Korea Institute of

S&T Evaluation and Planning (KISTEP) in developing Cambodia's National Science and Technology Master Plan 2014-2020 and the Samsung R&D centre in Vietnam announced in 2020.<sup>31</sup>

## The gap in Southeast Asia

AMS, such as Malaysia and Singapore, have sought to achieve KBE status primarily as a strategy to address the problems of low wage and low cost. In order to venture into the areas of higher value services and manufacturing,<sup>32</sup> Malaysia announced its aspiration to turn into a KBE in the Knowledge-based Economy Master Plan in 2002,<sup>33</sup> while Singapore's pursuit of KBE is stated in the Report of the Committee on Singapore's Competitiveness and the Economic Board's Industry 21 Master Plan.<sup>34</sup> Since the late 1990s, other AMS have included KBE in their national plans, for example, the Philippines' IT Action Agenda for the 21st Century (IT21) and Thailand's Ninth National Economic and Social Development Plan (2002-2006).<sup>35</sup> While Myanmar has not announced a strategy to implement KBE or future-based economy, the importance of the 4IR as a mechanism to leapfrog in economic development was highlighted by Aung San Suu Kyi in 2018.<sup>36</sup>

As for ASEAN, science and technology cooperation was raised in an ad-hoc Committee on Science and Technology in 1970, which was later elevated to a Permanent Committee on Science and Technology in 1971 before being renamed the ASEAN Committee on Science and Technology in 1978.<sup>37</sup> The most recent Action Plan, titled ASEAN Plan of Action on Science, Technology and Innovation (APASTI) 2016-2025, was launched in 2015. This plan focuses on public-private collaboration, talent mobility, people-to-people connectivity, inclusiveness, enterprise support, public awareness and the enculturation of science, technology and innovation.<sup>38</sup>

The AMS vary in their degrees of technology adoption. Laos and Myanmar are focused on improving their business climate, while Indonesia is considering developing human capital, encouraging government incentives, and increasing the adoption of technology by the government as well as small and medium-sized enterprises (SMEs).<sup>39</sup> On the other hand, Malaysia is focused on developing the innovation ecosystem as well as digitization in education and industry. However, most AMS, save Singapore and Brunei, are focused on developing infrastructure, inclusive of

telecommunications. Thus, the AMS' progress with developing an economy for the future is uneven. According to the International Telecommunication Union (ITU), Internet penetration across ASEAN indicates a digital divide. Brunei has more than 94 percent of their population plugged to the Internet, while in 2017, Laos' only reached 25 percent penetration of the Internet.<sup>40</sup> A report by Google estimates that Southeast Asia's Internet Economy would hit US\$100 billion in 2019 and potentially US\$300 billion by 2025.<sup>41</sup>

## The 5G competition in Southeast Asia

With the AMS at different levels of development and pace to achieve KBE status, the adoption of 5G becomes more urgent to facilitate this process. However, keeping in mind the problem of potential dependence (as would happen should a nation award the entire project to a single developer), creating a competitive environment can be useful to avoid unintended consequences. This task is complicated by the fact that only a few actors are currently ahead in the field of next generation communication.

Patents can be used as a measure to determine the strength of the actors, as patenting new technologies would corner a specific section of the market. According to Statista, Huawei can be considered the lead in terms of patent applications submitted, while Samsung is the lead in terms of patents granted. The study cautions though that 24 percent of the patents declared for 5G have been declared for 4G before.<sup>42</sup>

Not all the patents applied for are beneficial for 5G technology. Thus, although collectively the four Chinese companies (Huawei, ZTE, CATT and Oppo) may lead the South Korean companies (Samsung, LG and KT) or the European ones (Nokia, Ericsson, Innovative Technology and Sisvel), the Chinese patents may address other areas of 5G deployment.<sup>43</sup> The IPlyrics platform highlights top technical contributors to 5G, top 10 of which (in descending order) are Huawei, Ericsson, Nokia (including Alcatel-Lucent), Qualcomm, ZTE Corporation, Samsung Electronics, Intel Corporation, LG Electronics, China Mobile and CATT.<sup>44</sup> In 5G deployment, Qualcomm makes chipsets for mobile devices, Cisco, Nokia and Juniper provide core and routing technologies, while radio infrastructure is led by Nokia, Samsung, Ericsson, Huawei and ZTE.<sup>45</sup> However, greater reach and deployment may indicate greater growth for R&D, which may lead to leadership and the possibility of influencing standards

in 5G. China's presence in Southeast Asia's 5G deployment is unmatched by similar attempts from Nokia, Ericsson or the South Korean companies.

Ericsson's strategy is to cooperate with AMS for 5G trials, whether in terms of technology leadership, strategic partnerships or a scalable expansion from 4G to 5G.<sup>46</sup> Strategic partnerships would be in the form of examples for use cases where Ericsson would introduce or partner with a developer to assist in bolstering the IoT ecosystem. Ericsson has conducted trials in Vietnam, Indonesia, Singapore, Malaysia and Thailand.<sup>47</sup> Pilot networks have been commissioned in the Philippines, vendor selection conducted by Thailand in April 2020 and core network upgrades for a 5G-ready Indonesia confirmed.<sup>48</sup> Ericsson's strength is in cutting-edge radio systems at aggressive price policies.<sup>49</sup> However, Ericsson lacks the broad range of products offered by Nokia and Huawei.

Nokia offers products ranging from radio, core, optical to digital technologies.<sup>50</sup> Nokia has conducted trials in Indonesia, the Philippines, Vietnam, Singapore and Malaysia.<sup>51</sup> Trials in Indonesia and Ho Chi Minh are end-to-end deployment of 5G,<sup>52</sup> while laboratories in the Philippines, Myanmar and Singapore<sup>53</sup> explore usages of 5G. Additionally, Nokia is contracted by SP Telecom in Singapore to build a fixed 5G network and in the Philippines to build standalone 5G networks in schools, while orienting its approach towards building the 5G network for Malaysian ports.<sup>54</sup>

Nokia's technical experience is comparable to Huawei's in the region, though Huawei may be a popular choice in the region. By June 2020, Huawei provides the equipment for Globe Telecom Inc (the Philippines) and Cambodia<sup>55</sup> in addition to partnerships with Malaysia's Maxis and Axiata Group Bhd.<sup>56</sup> Huawei has conducted trials in Malaysia, Cambodia and Myanmar, while establishing innovation facilities in Thailand and Singapore.<sup>57</sup> Among the places relying on Huawei's standalone infrastructure is Kingtel Communications Ltd in Cambodia.<sup>58</sup> Huawei has also provided AI and 5G network support during the COVID-19 pandemic with Thailand's Digital Economy and Society Ministry.<sup>59</sup> In the midst of these developments, Vietnam has chosen to develop its own 5G equipment, specifically avoiding Huawei.



## Securing cyberspace: Way forward for ASEAN-ROK cooperation

Collaborations between ASEAN and South Korea on next generation technologies and cybersecurity would have to address three issues: capacity-building in the emerging technologies; implementation of responsible state behaviour in cyberspace, including the development and usage of 5G; and the mitigation of insecurities in cyberspace.

Regarding capacity-building, it should be noted that South Korea's focus on 5G technology, despite its expertise in the Radio Access Network (RAN) business that developed from the production of smartphones and chipsets, has been primarily domestic.<sup>60</sup> Thus, approaching AMS on 5G technology will not be straightforward.

Presently, South Korea has limited involvement in ASEAN developing capacity in 5G technology. South Korea's SK Telecom has a strategic partnership with NOW Corporation, a business-to-business (B2B) solutions provider in the Philippines, to build 5G standalone commercialization infrastructure, draw a road map for 5G services, design infrastructure and provide education on core 5G technologies.<sup>61</sup> KT, South Korea's largest telecom company, has cooperated with its Indonesian counterpart, Telkomsel, to showcase its 5G technology and services in Jakarta.<sup>62</sup> Roaming tests are also being conducted between Vietnamese (Viettel) and South Korean (LG Uplus) operators.<sup>63</sup>

There is room, however, for much deeper and more extensive cooperation and development in hardware as well as software use cases between South Korea and ASEAN.

In June 2020, Vietnam's Ministry of Information and Communications welcomed further cooperation with South Korea on research on the production of Vietnamese 5G equipment and the development of Vietnam's mobile business for new applications on the 5G platform.<sup>64</sup> The development of indigenous equipment can be an option for AMS. Vietnam's Viettel is present in Cambodia and Myanmar, thus building expertise in 5G can be a long-term strategy as opposed to mere mitigating measures for geopolitical competition. As the example of Vietnam shows, the development of indigenous equipment can be an option for AMS. In accordance with the spirit and

experience of building a KBE, the gains from developing indigenous equipment is in developing the state's own capacity for next generation telecommunications.

In the 2020 State of Southeast Asia Survey Report, Samsung was the developer of choice for 38.5 percent of the respondents. The Korean conglomerate was rated top choice in Brunei (57.7 percent), followed by the Philippines (51.8 percent), Myanmar (45.5 percent), Indonesia (44 percent), Vietnam (38.8 percent), Thailand (31.2 percent) and Singapore (25.7 percent).<sup>65</sup> The majority of the AMS, when asked to consider among the United States, China, Sweden, Finland and South Korea, wanted South Korea to be awarded contracts to develop 5G.

As much as the AMS would like to adopt Korean 5G technology and develop 4IR collaboration, the development gap among member states is an obstacle to strengthening and expanding the KBE. The AMS' differences in capability, knowledge and innovation, which subject them to vulnerabilities caused by the KBE and IoT, will hamper their efforts to ensure cyberspace security. To overcome the development gap, ASEAN needs to develop its ability to innovate and build its knowledge capacity to ensure that its 5G-enabled cyber environment is resilient and compatible with the digital infrastructure of their investors.

South Korea has held capacity workshops on 5G for ASEAN. After South Korea and the United States agreed 'on the need to strengthen economic cooperation in Southeast Asia', they held an 'ASEAN's 5G Capacity Building Workshop' under the theme of 'Policy Frameworks for the Future of 5G' in Bangkok on 23 May 2019.<sup>66</sup> The workshop introduced South Korea's advanced technologies as well as the issues, policies and regulatory environment required to navigate the development of 5G.

Developing such a regulatory environment, which sets and enforces standards that network operators would have to meet, is a way forward that is within the jurisdiction of a state. South Korea, which has successfully deployed 5G, would be able to share its best practices. South Korea's Ministry of Science and ICT already has plans to upgrade South Korea's cybersecurity by 2022 to address issues stemming from the hyperconnectivity associated with 5G.<sup>67</sup> A major aim of the plans is to make South Korea's cyber infrastructure 'more survivable' and to 'improve its restoration capability in the event of disruptions'.<sup>68</sup> As ASEAN prepares for the 4IR, South Korea's neutrality would be welcome as the AMS implement similar measures.

The second issue pertains to encouraging responsible state behaviour to protect the stability of 5G. Two UN bodies are engaged in discussions and exchanges to discourage detrimental state behaviour and strengthen cybersecurity. On 22 July, 2015, the UN Group of Governmental Experts (UNGGE) offered 11 voluntary norms for states to consider in the promotion of a peaceful ICT environment.<sup>69</sup> The norms include such measures as abstaining from conducting or knowingly supporting ICT activity contrary to international law and taking appropriate measures to protect critical infrastructure from ICT threats. South Korea participated in the UNGGE deliberations that resulted in the recommendation of the 11 norms. ASEAN supported the recommendation in principle in 2018. The Open-ended Working Group (OEWG) focuses on developments in the field of information and telecommunications in the context of international security.

South Korea and ASEAN, through involvement in the OEWG and UNGGE, have indicated their interest in taking practical steps to implementing norms of cybersecurity.<sup>70</sup> For instance, in upholding the norm of cooperation in the case of a cyber incident, South Korea proposed a minimum requirement of providing qualified information, including such ‘indicators of compromise’, as the Internet Protocol (IP) address, location of perpetrators and computers used for malicious ICT acts and malware information.<sup>71</sup>

Exchanges on practical steps to implement these norms can be conducted by ASEAN’s working-level committee on responsible state behaviour<sup>72</sup> or through such a forum as the ASEAN Regional Forum (ARF). South Korea is also a co-chair of the ASEAN Defence Ministers’ Meeting Plus (ADMM-Plus) Experts Working Group on Cyber Security, which activities can focus on responsible military usages of civilian network infrastructures. Furthermore, the AKBC can have exchanges on cybersecurity issues. Private sector-led initiatives as the Cybersecurity Tech Accord proposed by Microsoft can also be supported.

While technical cooperation between South Korea and ASEAN has remained steady through the years, increased strategic and political-security exchanges should also include cybersecurity cooperation. It should be mentioned that 5G is only one aspect of future technologies. As new advanced technologies – for example, quantum computing and blockchain – seek to revolutionize hard and soft infrastructures, AMS must develop the necessary ecosystem to compete. Therefore, a pathway

to mitigate cybersecurity concerns is to prepare AMS with innovative ecosystems, which entails the promotion of R&D infrastructure and sharing of best practices. According to the World Economic Forum 2019 Global Competitiveness Report, all AMS except Singapore are in the development stages for innovation capability, with low scores in international co-inventions and research institutions prominence.<sup>73</sup> Strengthening ASEAN's R&D capability would build the region into a stronger and capable partner for South Korea, particularly one that can navigate future perils pertaining to the cyberspace.

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PART II

**Maritime and Mekong  
Connectivity**



# Strengthening ASEAN-ROK Maritime Connectivity: Gaps and Way Forward

Lee YingHui

Initiated by President Moon Jae-in in 2017, the New Southern Policy (NSP) is the Republic of Korea's (ROK, hereafter South Korea) initiative to enhance its relations with ASEAN and individual ASEAN Member States (AMS). For South Korea, a middle power facing challenging relationships with two larger Northeast Asian neighbours, ASEAN presents an opportunity to diversify its relations. Amidst rising geopolitical competition between China and the United States, ASEAN views South Korea as a partner within the region that can help dilute its current political and economic dependence on Beijing and Washington.

Economic ties between South Korea and ASEAN have strengthened steadily over the past three decades. As of 2018, two-way trade volume between South Korea and ASEAN stood at US\$160.5 billion, making South Korea ASEAN's fifth largest trading partner. South Korea is also a major foreign direct investor in ASEAN. South Korea's outbound foreign direct investment (FDI) to ASEAN increased from US\$3.2 billion in 2007 to US\$5.3 billion in 2018, making South Korea the eighth largest contributor of FDI in ASEAN, accounting for around 3.9 percent of ASEAN's total FDI inflow.

South Korea has established a strong foothold in the Mekong region. From 1987 to 2017, South Korea's aid to the Mekong countries (Cambodia, Laos, Myanmar and Vietnam) accounted for 74 percent of South Korea's total official development assistance (ODA) to ASEAN. Between 2013 and 2017, the South Korean government contributed US\$4.3 million to the Mekong-ROK Cooperation Fund (MKCF). South Korea has also provided technical assistance and shared know-how with the Mekong countries in such areas as rural and infrastructure development. With the unveiling of the Korea-Mekong Vision in September 2019 and the 1st Mekong-ROK Summit in November 2019, the cooperation between South Korea and the Mekong region is expected to increase further.

On maritime-related issues, South Korea has participated actively in various ASEAN-led organizations dealing with maritime security. In 1994, South Korea became a member of the ASEAN Regional Forum (ARF). From 2012 to 2014, South Korea co-chaired the ARF Inter-Sessional Meeting on Maritime Security with Indonesia and the United States. South Korea has also played an active role in the ASEAN Defence Ministers' Meeting Plus (ADMM-Plus) and, for 2017-2020, is co-chairing the ADMM-Plus Experts' Working Group (EWG) on Maritime Security with Singapore. Subsequent to the adoption of the Framework of Transport Cooperation, the ASEAN-ROK Transport Cooperation Roadmap was adopted at the 5th ASEAN and Republic of Korea Transport Ministers (5th ATM+ROK) Meeting on 28 November 2014 in Mandalay, Myanmar. The Roadmap laid out potential projects and activities for cooperation. Notable projects successfully completed under the Roadmap include the Conduct of International Program on Port & Logistics (IPPL) for ASEAN.

As South Korea increases its interactions with ASEAN through the NSP, maritime connectivity provides excellent opportunities for collaboration as the demand for maritime infrastructure and connectivity continues to grow.

## **Importance of maritime connectivity for Southeast Asia**

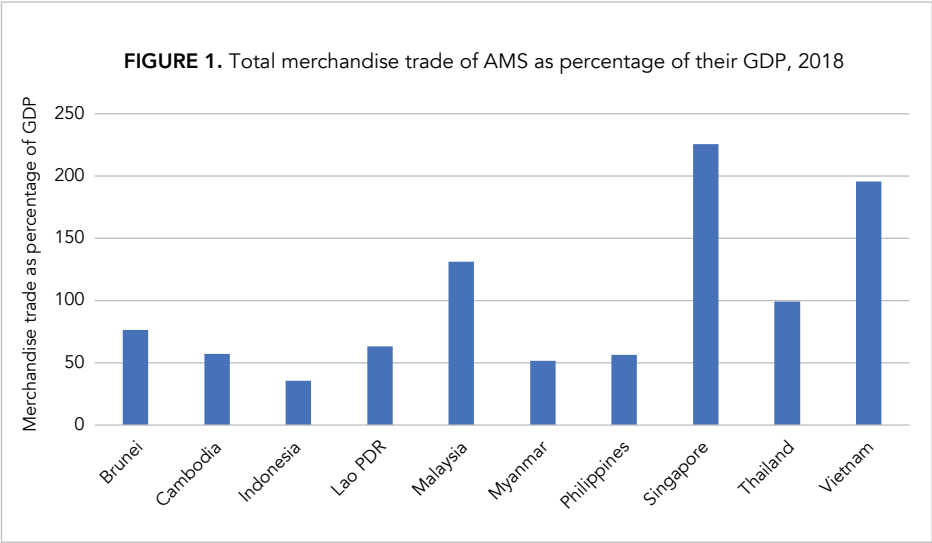
Despite the slowdown in global trade activities due to rising trade tensions and protectionism worldwide, maritime trade remains the most crucial mode of international trade. According to the United Nations Conference on Trade and Development

(UNCTAD) Review of Maritime Transport 2019, global maritime trade volume increased by 2.7 percent in 2018, compared to 2017. More important, the trend has been a steady increase in global seaborne trade over the last decade, despite various ups and downs in the global economy. In fact, the UNCTAD Review of Maritime Transport 2019 reported that, in 2018, global maritime trade volume reached 11 billion metric tons, the highest volume thus far. In addition, more than four-fifths of world merchandise trade by volume continues to be sea-borne, in spite of the rapid development of air cargo over the last decade. Medium-term outlook also appears optimistic, with trade volume expected to expand at a compound annual growth rate (CAGR) of 3.4 percent for the period 2019-2024. Seaborne merchandise trade based on international ocean shipping will likely remain the mainstay of the global trading system for the foreseeable future – a point highlighted by International Maritime Organization (IMO) Secretary-General Kitack Lim at the 2017 International Maritime Forum where he said that shipping is expected to remain ‘the most cost-effective way to transport the vast majority of international trade, [and] will be central to sustainable global development and growth in the future’. This trend highlights the significance of enhancing maritime connectivity, especially for countries dependent on trade.

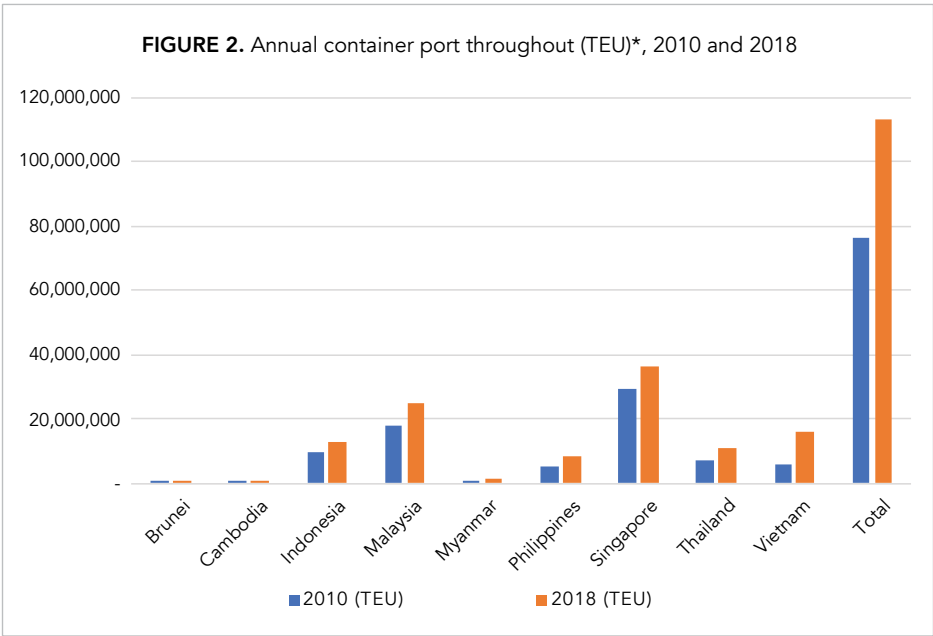
ASEAN, as a whole, has a combined coastline of 105,070km, making Southeast Asia a maritime region. All the AMS (with the exception of Laos, which is landlocked) have direct access to the seas and oceans. Two of the world’s largest archipelagic countries, Indonesia and the Philippines, are also situated within the region. As Southeast Asia is strategically located between the Indian and Pacific Oceans, it is at the crossroads of international maritime trade and houses some the world’s most crucial sea lanes. The Straits of Malacca and Singapore (SOMS) remain one of the world’s busiest waterways with approximately 25 percent of the world’s traded goods transiting the Straits annually. A Nippon Maritime Center (NMC) report states that, since 2011, traffic in the Straits of Malacca has increased consistently, reaching 84,456 transits in 2017. In particular, the traffic of very large crude carriers (VLCCs) through the Straits of Malacca almost doubled from 3,753 transits in 2007 to 6,711 transits in 2017. Furthermore, the SOMS and South China Sea act as major transit routes for the global crude oil trade. According to the US Energy Information Administration (EIA), in 2016, an estimated 15 million barrels of crude oil transited the South China Sea daily, accounting for approximately 30 percent of the global maritime crude oil trade. Additionally, more than 90 percent of the crude oil volume transiting through

the South China Sea passed through the Straits of Malacca. The significance of Southeast Asia for global energy security is even higher when one considers the total trade in petroleum products. The EIA estimates that almost a third of the 61 percent of global petroleum carried by sea in 2015 transited the SOMS, an equivalent of 16 million barrels daily.

Figure 1 shows total merchandise trade (exports plus imports) in 2018 as a percentage of national gross domestic product (GDP) for the 10 AMS. Three AMS have trade volumes which exceeded their GDP – for Singapore, approximately 225 percent; for Vietnam, 195 percent and for Malaysia, 131 percent. Figure 2 shows that annual container port throughput in ASEAN countries increased significantly in 2018 compared to 2010. Seven Southeast Asian ports – the Port of Singapore, Port Klang and Tanjung Pelepas in Malaysia, Laeum Chabang in Thailand, Tanjung Priok in Indonesia, Port of Saigon in Vietnam, and Manila Port in the Philippines – are among the world’s top 30 container ports.



Source: Author’s calculations based on data from UNCTADSTAT.



Source: UNCTADSTAT.

\*TEU = Twenty-Foot Equivalent Unit

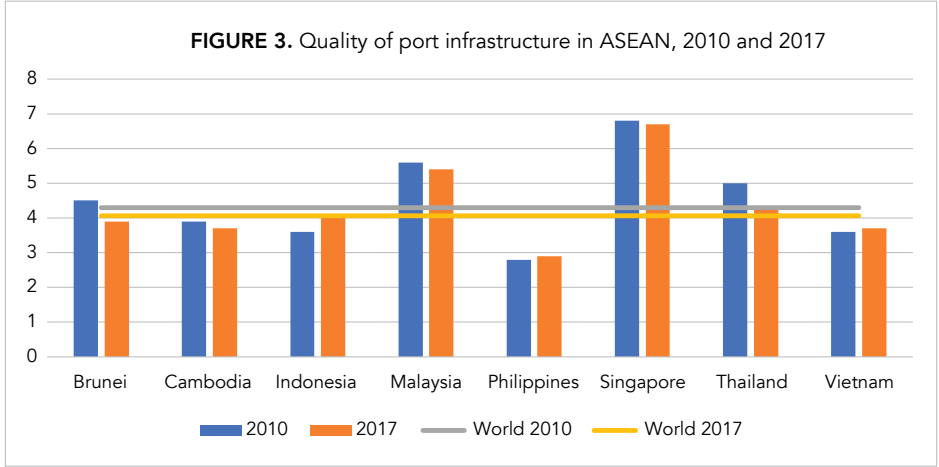
## Maritime transport infrastructure gap in ASEAN

A major limitation for maritime connectivity within and beyond ASEAN is the lack of adequate, up-to-date maritime transport infrastructure. Poor infrastructure increases both transport cost and time, hence restricting the AMS from fully realizing the benefits of maritime traffic passing through the region. For example, the lack of quality infrastructure and poor maritime logistics capabilities in Indonesia have been blamed for the extraordinarily high shipping costs within Indonesia, especially in its remote outer islands. The 2018 World Bank Annual Report found that, while it cost around US\$185 to ship a 40-foot container from Jakarta to Singapore, it cost more than three times, US\$600, to ship the same container from Jakarta to Padang. In addition, many of Indonesia's existing port infrastructures are poorly maintained. Although Indonesia's main international sea port, Tanjung Priok, is operating close to full capacity, its average dwell time is five days, compared to three days at other major regional ports. A report has estimated that the cost of logistics in Indonesia, at approximately 24 percent of its GDP, ranks among the highest in the world. It was also estimated that the Indonesian government and businesses will save US\$70 billion to US\$80 billion per year if logistics costs were reduced from 24 to 16 percent of GDP.

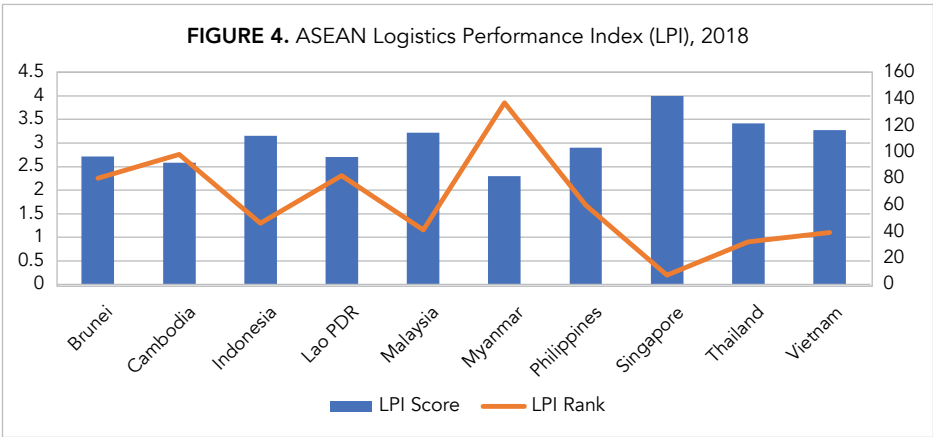
The congestion of roads leading to the major ports further adds to the inefficiencies.

Other AMS share Indonesia’s problem, where a lack of adequate infrastructure severely constrains maritime connectivity. The World Economic Forum (WEF) Port Quality Index shows that, in general, port infrastructure across ASEAN has not improved significantly since 2010. Moreover, there are significant differences in the quality of port infrastructure across the AMS. As shown in Figure 3, only Singapore and Malaysia possess adequate port facilities, scoring 6.7 and 5.4 on the WEF’s Port Quality Index in 2017, well above the world average of 4.063. Although Thailand’s performance had dropped from a WEF Port Quality Index of 5.0 in 2010, it still performed above the world’s average, scoring a WEF Port Quality Index of 4.3 in 2017. Indonesia performed at world average; its WEF Port Quality Index of 4.063 in 2017 was an improvement from its performance in 2010. However, the situation is starkly different for the other AMS. In contrast, Thailand may have ‘performed above the world average’, but its performance dropped in 2017.

Associated with low quality maritime infrastructure is reduced capacity. Many ASEAN ports have capacity bottlenecks. A 2015 report determined that as most of the 47 ports in ASEAN were operating at or even beyond full capacity, they faced serious congestion issues. Furthermore, inland infrastructure, such as roads and railways, which facilitated the transportation of goods to and from the ports are also inadequate in many ASEAN countries, further constraining connectivity within the region.



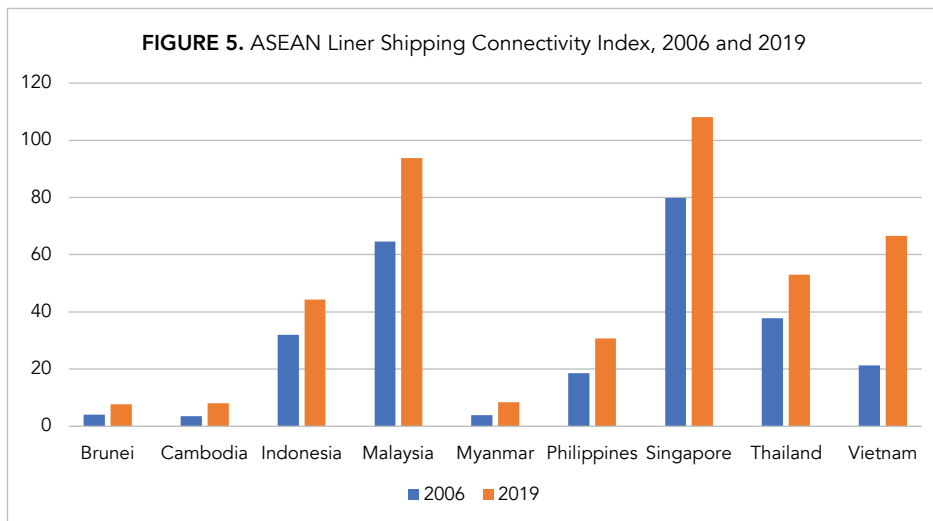
Source: WEF Port Quality Index, The World Bank.  
Note: 1 = extremely underdeveloped to 7 = well developed and efficient by international standards. Laos is excluded as it is landlocked and possesses no ports or harbours on the sea; Myanmar is excluded as data is unavailable for both 2010 and 2017.



Source: WEF Port Quality Index, The World Bank.

The region’s uneven infrastructure and logistics performance are further highlighted in The World Bank Logistics Performance Index (LPI). As shown in Figure 4, Singapore performed the best in 2018, with a score of 4.00 and a rank of seventh in the world. Coming in second among the AMS was Thailand with a score of 3.42 and a global rank of 32. Indonesia, Malaysia and Vietnam also made it into the top 50. Apart from these five countries, the remaining AMS registered ranks from 60 (Philippines) to 137 (Myanmar). The lack of quality maritime infrastructure and logistics services is widespread in several AMS, causing major impediments to maritime connectivity. The UNCTAD Liner Shipping Connectivity Index (Figure 5), which measures the connectivity of countries to global shipping networks, also shows significant variations in maritime connectivity among ASEAN countries. Although shipping connectivity improved across all AMS from 2006 to 2019, it is also obvious that Singapore and Malaysia were significantly better connected, compared to the other AMS. In general, it can be observed that there is room for major improvement in maritime connectivity within ASEAN as a whole.





Source: *Liner Shipping Connectivity Index*, UNCTAD.

Note: Laos is excluded as it is a landlocked country that has no ports (no data). China 2004 value equals 100.

In terms of the wider infrastructure demand within the region as a whole, the Asian Development Bank (ADB) estimates that developing Asia (including Southeast Asia) would require a total investment of \$26 trillion over 2016-2030 in maritime infrastructure to maintain its current trajectory of growth in the same period.

In particular, US\$8.4 trillion investment annually is required for improvement of transport infrastructure, including seaports. However, the region currently only invests around US\$881 billion in infrastructure, while multilateral development banks contribute only an estimated 2.5 percent of the infrastructure investments required in Asia's developing countries.

## Enhancing ASEAN-ROK connectivity cooperation

South Korea is a natural partner for ASEAN when it comes to improving regional maritime connectivity. Menon Economics and DNV GL's *The Leading Maritime Nations of the World* report list South Korea as the fourth largest maritime nation in the world (alongside Germany and Norway) after China, the United States and Japan. More importantly, the report ranks South Korea in top place for maritime technology, acknowledging the country's strengths in research and development and advanced ship

yards. South Korea's strengths in maritime innovation and technology complement the lack thereof in many ASEAN countries. As such, there is huge potential for cooperation as AMS stand to benefit from the transfer of skills and expertise from South Korea.

Cooperation on port development projects has been ongoing between South Korea and individual AMS. At the ASEAN Maritime Transport Working Group (MTWG) Meeting held in August 2018, officials from South Korea's Ministry of Oceans and Fisheries met their counterparts from Vietnam, Laos and Cambodia to discuss port development projects. Jang Gi-wook, an official at the Ministry, said that the South Korean government hoped to pave the way for South Korean firms to have more business opportunities in AMS. Seoul then proposed a cooperation plan for 34 ports in Vietnam. In October 2018, South Korea also signed a Memorandum of Understanding (MOU) with Vietnam regarding cooperation on port development. South Korea pledged to help Vietnam study the function of ports by region, direction and timing of development as well as design of the port infrastructure. In addition, South Korea and Laos have agreed to jointly develop a port management information system in the landlocked country. In November 2019, during the 1st Mekong-ROK Summit, South Korea signed an MOU with Laos to help Laos develop and manage a river port. The MOU also covered the exchange of port experts, which is the transfer of technical expertise from South Korea to Laos.

In addition to bilateral cooperation with individual AMS, South Korea has a strong track record in connectivity cooperation with ASEAN at the multilateral level, primarily through the ASEAN Connectivity Coordinating Committee (ACCC) and ROK Task Force on ASEAN Connectivity. During the October 2014 meeting between the ACCC and ROK Task Force on ASEAN Connectivity in October 2014, both sides agreed to undertake internal consultations on potential flagship projects, including cooperation on inland waterways. At the July 2017 meeting, South Korea expressed support for the implementation of the Master Plan on ASEAN Connectivity (MPAC) 2025. Then, in September 2018, the inaugural ASEAN-ROK Infrastructure Ministers' Meeting was held. Indeed, since 2013, South Korea has actively engaged ASEAN on connectivity-related issues through the ASEAN-Korea Centre, which conducts the annual ASEAN Connectivity Forum (ACF). The ACF provides opportunities for South Korean businesses to establish connectivity-related infrastructure projects within ASEAN.

## Way forward

To enhance ASEAN-ROK maritime connectivity cooperation, South Korea should consider aligning its cooperation priorities with the MPAC 2025. In 2019, ASEAN and China formalized their cooperation on connectivity projects through the ASEAN-China Joint Statement on Synergising the MPAC 2025 and Belt and Road Initiative (BRI). This cooperative framework can be emulated between South Korea and ASEAN. The MPAC 2025 aims to improve intra-ASEAN connectivity by completing unfinished initiatives from MPAC 2010, as well as by launching fresh initiatives. Only 39 initiatives from the original MPAC 2010 have been completed as of May 2016. Regarding the goal to accomplish an integrated, efficient and competitive maritime transport system, only one of the four initiatives under MPAC 2010 has been completed as of May 2016.

New synergies between South Korea's NSP and the MPAC 2025 can be established by cooperating on the five strategic areas within the MPAC 2025 aimed at enhancing connectivity, including sustainable infrastructure. Although South Korea has not yet openly aligned its NSP with MPAC 2025 priorities, there is some evidence of such an alignment occurring. In terms of sustainable infrastructure, for example, in May 2019, the South Korean government pledged US\$350 million for co-financing and an additional US\$5 million in grants for technical assistance. These pledges were earmarked for the ASEAN Catalytic Green Finance Facility (ACGF) and were part of the ADB's new Action Plan for Healthy Oceans and Sustainable Blue Economies. The convergence and synergies of ASEAN and South Korea will certainly enhance ASEAN-ROK maritime connectivity, and the NSP will serve as the catalyst to kick start this connectivity. South Korea should consider these actionable ideas in the implementation blueprint of its NSP to strengthen maritime infrastructure and connectivity between the two, completing the existing ASEAN maritime platforms.

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### Endnotes

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- <sup>13</sup> Bomboma Kalgora and Tshibuyi Mutinga Christian, "The Financial and Economic Crisis, Its Impacts on the Shipping Industry, Lessons to Learn: The Container-Ships Market Analysis," *Open Journal of Social Sciences* 4, no. 1 (2016): 38-44.
- <sup>14</sup> "Meeting Asia's Infrastructure Needs," *Asian Development Bank*, February, 2017, <https://www.adb.org/publications/asia-infrastructure-needs>, xi.
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- <sup>16</sup> Ibid.; the ADB report covers 32 selected "developing Asia" countries of which seven Southeast Asian countries are selected to be part of this collective figure and analysis.
- <sup>17</sup> *The Leading Maritime Nations of the World* report benchmarks 30 leading maritime nations around the world based on four key maritime pillars: shipping, finance and law, maritime technology, and ports and logistics.
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# *The Mekong Subregion: Significance, Challenges and South Korea's Role*

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Roy Anthony Rogers

During his September 2019 visit to Vientiane, Laos, President Moon Jae-in of the Republic of Korea (ROK, hereafter South Korea) expressed South Korea's wish to cooperate with the countries along the Mekong River. He stated he wished to extend the 'Miracle on the Han River' to the Mekong River, which was plagued by pollution as a result of the socio-economic impact of development.<sup>1</sup> When South Korea set up a comprehensive partnership with the Mekong countries, it did so through the 'Han River Declaration', when the parties met in Seoul for the inaugural Mekong-ROK Foreign Ministers' Meeting.<sup>2</sup> In line with President Moon's vision, the year 2021 has been designated the 'Year of Korea-Mekong Cooperation'.<sup>3</sup>

The Mekong River is the largest waterway in the Southeast Asia region and the 12th largest in the world. The river originates in Tibet and flows through the Province of Yunnan and part of the Guangxi autonomous region of China. It then flows by five Southeast Asian countries – Myanmar, Thailand, Laos, Cambodia and Vietnam – before ending in the South China Sea (see Figure 1).

**FIGURE 1.** The Mekong River Basin



Source: Wikimedia Commons (2015).<sup>4</sup>

In 1992, as regional cooperation became widespread in Asia, the Asian Development Bank (ADB) initiated the Greater Mekong Subregion (GMS) Economic Cooperation Program. (The GMS comprises an area of 2.6 million km<sup>2</sup> and has an estimated population of 316 million).<sup>5</sup> In recent decades, the GMS has witnessed significant changes in the areas of political and economic development. Vietnam, Laos, Cambodia and Myanmar began opening up and transitioning to market-based economies,



which have played an increasingly important role in the economic growth of this region. Supported actively by the Mekong region countries, the GMS Program has launched about 100 cooperative projects covering infrastructure, energy resources, trade and investment, telecommunications, environment, tourism, agriculture, and human resources development.<sup>6</sup>

As South Korea is well aware of the importance of the Mekong region countries, it hopes to strengthen cooperation with the state and non-state actors there through the New Southern Policy (NSP). According to the Second Vice Foreign Minister Lee Tae-ho, 'Korea attaches great significance to its partnership with the Mekong region'.<sup>7</sup> He also added, 'Korea's own experience provides useful insights to Mekong countries as they encounter challenges to development'.<sup>8</sup> Through close consultation between South Korea and the Mekong countries leading up to the 1st Mekong-ROK Summit, both sides have decided the main areas of cooperation will include water resources, human capital, agricultural and rural development, infrastructure, and information and communications technology (ICT).<sup>9</sup>

In recent years, trade between South Korea and the Mekong Subregion has increased significantly. Between 2010 and 2017, for example, imports from the Mekong Subregion increased from US\$7.7 billion to US\$22 billion and exports to the Mekong Subregion also increased from US\$17 billion to US\$56 billion. In addition, foreign direct investment (FDI) from South Korea into the Subregion rose significantly from US\$1.3 billion to US\$2.9 billion.<sup>10</sup>

Despite the rapid economic growth, the Mekong region is facing a host of environmental and sustainability problems. A major one is low water level. According to To Minh Thu, Deputy Director-General of the Diplomatic Academy of Vietnam's Institute of Foreign Policy and Strategic Studies, the Mekong River is facing a problem of low water level so serious that it will be on the brink of an environmental disaster if not resolved.<sup>11</sup> Numerous studies have confirmed that climate change, dam building and a weak water governance have contributed to these negative consequences, especially in the lower riparian countries like Cambodia and Vietnam.<sup>12</sup> Indigenous and local populations in Laos and Cambodia have to be resettled due to the construction of these dams. The livelihoods of farmers and fishermen in Cambodia and Vietnam have been equally affected.<sup>13</sup>

The construction of dams has also contributed to the gradual drying of the Mekong River, thereby creating a Mekong crisis. The survey committee of the Mekong River Commission (MRC) found that the Mekong's water level has dropped to its lowest in around 20 years.<sup>14</sup> Non-governmental organizations (NGOs) in conservation and people living along both sides of the river – totalling millions of households in Thailand, Laos, Cambodia and Vietnam – have blamed China for the construction of dams that blocked the upper Mekong River.<sup>15</sup> This is because when China constructs dams in the upper Mekong mainstream (also known as the Lancang), it causes flow, volume and water quality problems along the lower streams of the Mekong River.<sup>16</sup>

Despite the energy generated, the construction of hydropower dams has major impacts on environmental security, economic and social security, and water management politics, which contributes to the changing river flow, sediment and water level in the Mekong River. The negative social and environmental repercussions have also induced cooperation among the riparian countries as all of them including China recognize the need for regional water governance.<sup>17</sup> Since the inception of the MRC in 1995, several overlapping cooperation and water governance frameworks and mechanisms have been introduced. The Mekong countries have not only worked with external partners for aid and technical assistance in water management, but also worked with China to attain optimized cooperation through joint management.

The increasing presence of China in the GMS through its Belt and Road Initiative (BRI) since 2013 has had tremendous impact on the GMS's social, political and economic development. To further strengthen cooperation with the Mekong countries on water governance, Beijing has also provided political and economic incentives through the Lancang-Mekong Cooperation (LMC).<sup>18</sup> During the 3rd GMS Summit in Laos, Chinese Premier Wen Jiabao announced that China would be increasing its efforts to expand development projects in the GMS, especially in the areas of trade and investment facilitation, as well as telecommunications and human resources development. The complexity of the Mekong regional cooperative governance is complicated by hydropolitics, where China is the upstream hegemon but offers the Mekong countries investment and infrastructure development assistance and economic concessions through the BRI.<sup>19</sup>



The United States has also increased its economic and political presence in the GMS in recent years. In July 2009, the United States initiated the Lower Mekong Initiative (LMI), the result of meetings between US Secretary of State Hillary Clinton and the foreign ministers of Cambodia, Laos, Thailand and Vietnam in Phuket, Thailand. During the meetings, the ministers agreed to foster cooperation in the areas of health, education, environment and infrastructure development. In 2012, Myanmar became the sixth country to join the LMI. The United States has also raised its concern about the overwhelming presence of China in the GMS. During the 2019 ASEAN Summit, US Secretary of State Michael Pompeo expressed the United States' recommitment to support the LMI. Since 2000, there have been calls for greater US involvement in the Mekong region.<sup>20</sup> This has coincided with the rise of China as more experts are concerned that the Mekong countries are trapped by the strategic competition between the United States and China.<sup>21</sup>

To avoid being trapped in the current US-China power struggle, countries in the Mekong Subregion should cooperate with a third entity, South Korea, to develop the region. In the 1980s, South Korea's initial involvement with the Mekong countries was done through its official development assistance (ODA) programmes, stemming from South Korea's internationalization of its national branding and global outreach.<sup>22</sup> According to Jakkrit 'Jon' Sangkhamanee, the Korean development paradigm in Mekong has gradually evolved every decade, from the bilateral engagement with each Mekong countries in the 1990s (which is also known as 'Normalized Policy', referring to the establishment of diplomatic relations and normalizing of the ODA to these countries as the foundation of relations), to the increased infrastructure development investment that led to the Han-River Declaration in 2011 (see Table 1).<sup>23</sup> Korea-Mekong cooperation has been upgraded to Summit-level cooperative framework, further institutionalizing South Korea's position as the main partner in joint sustainable development with the Mekong region.

**TABLE 1.** Korean development agendas in the Mekong region since the 1980s

Timeline	Korean Development Agendas in the Mekong Region
1980s	Overseas Direct Investment
1990s	Bilateral Aid and Overseas Direct Investment
1992-1997	Normalized Policy
1998-2008	Intensive on Bilateral Aid and Overseas Direct Investment
2009-now	New Asia Policy
2011-now	Han-River Declaration
2019-now	Mekong-ROK Summit Cooperation Framework

Source: Updated from Jakkrit Sangkhamanee, “The Roles of Korean Development in the Mekong Region,” *CefiaWiki* (2016).<sup>24</sup>

Former South Korean Ambassador to Indonesia and former Secretary General of the ASEAN-Korea Centre, Kim Young-sun, has expressed similar ideas about the role of South Korea as a potential partner in the Mekong Subregion. Ambassador Kim has argued that South Korea’s partnership with mainland Southeast Asia is a ‘benign’ one. He added that ‘Seoul is well-positioned to be a benign and true partner since it has no historical baggage, no territorial disputes with Mekong countries, and no hegemonic intention in this region’.<sup>25</sup>

An effective mechanism South Korea has used to collaborate with the Mekong Subregion is the Mekong-ROK Cooperation Fund (MKCF), which has already been providing assistance to facilitate the regional integration process and support sustainable projects. For example, Myanmar’s community forest programmes and Thailand’s capacity-building project to promote a circular economy were fully supported by the MKCF.

South Korea has also been a development partner of the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS). In fact, during the 8th Mekong-ROK Foreign Ministers’ Meeting in Singapore, August 2018, the ministers recognized the importance of participation from the private sector in economic growth and development. In the case of the Mekong countries, Korean small and medium-sized enterprises (SMEs) have been playing a crucial role in economic growth and providing the majority of jobs. Besides, these companies can offer eco-friendly technologies

that will help the Mekong countries to narrow the gaps between development and environmental preservation.

According to Kim Mun-hwan, Director General of Ministry of SMEs and Startups (MSS), 'To achieve balanced growth throughout the region, it is just as important to pursue environmental protection and sustainable consumption and production from the early development stages as it is to advance economic growth and bridge development gaps'.<sup>26</sup> Kim added, 'This is to prevent the destruction of the region's beautiful natural environment from excessive development and to seek harmonious coexistence between mankind and nature'.<sup>27</sup> In addition, Kim reasoned that SMEs – by adopting eco-friendly technologies and associated best practices – should change and adapt their ways of using resources, energy and waste for higher efficiency, which is in line with the United Nations-led 2030 Sustainable Development Goals (SDGs).

During the ASEAN-ROK Commemorative Summit and the 1st Mekong-ROK Summit on 25-27 November 2019, Suh Jeong-in, Executive Director of the 2019 ASEAN-ROK Commemorative Summit Preparatory Office, strongly encouraged Thailand to take a more active role in ACMECS. Besides financial assistance, South Korea also provided support to the Mekong-ROK Water Resources Joint Research Center, which started operations in November 2019, and the Mekong-ROK Biodiversity Centre in Nay Pyi Taw, Myanmar, which will start operating from 2025.<sup>28</sup>

The ACMECS has an important role to play by bridging and harmonizing the various groups in the GMS, amid growing geopolitical rivalry. As Ambassador Kim Young-sun remarked, 'there are many mechanisms, like the Mekong River Commission (MRC), the Greater Mekong Subregion (GMS), the Lancang-Mekong Cooperation (LMC), and ACMECS. With regards to working with China, Mekong countries should have a unified voice. ACMECS can play a role in having Mekong countries adopt the same stance. But it is a very sensitive issue to talk with China because you have a lot of economic cooperation'.<sup>29</sup> It is equally important, however, for South Korea to remain committed to cooperating and working as a development partner of the ACMECS through the NSP framework.

In conclusion, South Korea can foster a 'benign partnership' in the GMS. Unlike other actors, South Korea has no prior political involvement in the region. South Korea can make a major contribution by fostering closer relations among the various actors. As

reiterated by Ambassador Kim: ‘Under Vietnam’s chairmanship, I hope that the Mekong issue will be elevated to the ASEAN agenda to unify the bloc’s stance. (South) Korea is willing to cooperate with ASEAN friends. Some people ask why (South) Korea has jumped into the game regarding the Mekong. We are not a big country like Japan, China or the US, but we are well-positioned to work with Mekong friends because we have not been a colonial power. We are a true and benign partner’.<sup>30</sup> Sharing expertise, transferring technology, building capacity in climate resilience, enabling the Mekong countries to mitigate risks from China’s hydropower domination, and institutionalizing South Korea’s cooperative framework with Mekong and ASEAN through its NSP could not have come at a better time.<sup>31</sup> By pragmatically providing cooperation options for Southeast Asian countries, South Korea will successfully deepen Korea-Southeast Asia relations.

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## Endnotes

- <sup>1</sup> Chi-dong Lee, “Moon Seeks Synergy between S. Korea’s Experience, Mekong’s Dynamics,” *Yonhap News Agency* (Seoul), November 27, 2019, <https://en.yna.co.kr/view/AEN20191127002200315>. The Han River cuts through Seoul. At the end of the Korean War, the areas on both sides of the Han River were in ruins. When former South Korean President Lee Myung-bak was Mayor of Seoul, he engaged in rapid economic development programmes that transformed these areas into a financial hub and environmental conservation area. These areas include the world-renowned Gangnam District, one of the richest in South Korea. By referencing the ‘Miracle on the Han River’, President Moon signalled his intent to duplicate the development along the Han River to the Mekong River.
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- <sup>4</sup> “Mekong Basin,” *Wikimedia Commons*, January 5, 2015, <https://commons.wikimedia.org/wiki/File:Mekongbasin.jpg>.
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- <sup>9</sup> According to a diplomatic source, meetings were convened almost on a monthly basis in preparation for the 1st Korea-Mekong Summit 2019. Bilateral consultations were also held alongside ASEAN meetings in Thailand throughout 2019. See “ROK-Thailand Foreign Ministers’ Meeting on Occasion of ASEAN-related Foreign Ministers’ Meetings,” *Ministry of Foreign Affairs, Republic of Korea*, August 12, 2019, [http://www.mofa.go.kr/eng/brd/m\\_5674/view.do?seq=319921](http://www.mofa.go.kr/eng/brd/m_5674/view.do?seq=319921).

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<sup>11</sup> Thana Boonlert, "Seoul Can Help to Regulate Mekong's Flow," *Bangkok Post*, October 29, 2019, <https://www.bangkokpost.com/thailand/general/1782094/seoul-can-help-to-regulate-mekongs-flow>.

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<sup>13</sup> Mauricio E. Arias et al., "Impacts of Hydropower and Climate Change on Drivers of Ecological Productivity of Southeast Asia's Most Important Wetland," *Ecological Modelling* 272 (January 2014): 252-63.

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<sup>25</sup> Ibid.

<sup>26</sup> Lee, "Mekong-Korea".

<sup>27</sup> Ibid.

<sup>28</sup> Thana Boonlert, "South Korea Backs Thai-led Mekong Strategy," *Bangkok Post*, December 21, 2019, <https://www.bangkokpost.com/thailand/general/1821079/south-korea-backs-thai-led-mekong-strategy>.

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# *Building a Sustainable Mekong-Korea Partnership*

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Kim Young-sun

## Introduction

Under the aegis of the New Southern Policy (NSP), the government of the Republic of Korea (ROK, hereafter South Korea) has been stepping up its collaboration with ASEAN Member States (AMS). In the two years following the announcement of the ASEAN-Korea Future Community Vision (November 2017), President Moon Jae-in made official visits to all the AMS. In September 2019, President Moon visited Thailand, Myanmar and Laos to emphasize the importance of Mekong-Korea cooperation. Standing in front of Laos' portion of the Mekong River, he unveiled his 'Mekong-Korea Vision' and announced the Mekong-ROK Summit in Busan on 27 November 2019. The Summit was South Korea's latest initiative to advance the Mekong-Korea partnership.

While South Korea has fostered close bilateral relationships with all the Mekong countries, this chapter shall focus in particular on South Korea's partnership with the Mekong region as a whole.

## Why the Mekong region?

What does South Korea seek to achieve through the Mekong-Korea cooperation?

First, the Mekong region's geopolitical importance is growing as it connects ASEAN, the China and India. It is also becoming a hotspot as the major powers' interests converge and their strategic competitions escalate. South Korea, however, is well-situated to be a benign and true partner since it has neither historical baggage nor territorial dispute with the Mekong countries, much less any hegemonic intention in the region.

Second, South Korea benefitted tremendously from the international community during the process of its national development. Presently, as South Korea seeks to pay it forward, by repaying the assistance and support it received in the past, the Mekong region is a suitable partner in actualizing an agenda of common prosperity. South Korea and the Mekong countries have the potential to prosper together as the latter become Southeast Asia's economic growth engine.

Third, Mekong-Korea cooperation is an integral component of South Korea's NSP thrust. The Mekong-Korea partnership will reduce the development gap among the AMS and contribute to ASEAN's enhanced integration.

## Overview of the Mekong-Korea relations

The Mekong-Korea partnership was launched in October 2011 during the inaugural Mekong-ROK Foreign Ministers' Meeting in Seoul. The Meeting adopted the Han River Declaration of Establishing the Mekong-ROK Comprehensive Partnership for Mutual Prosperity. The foreign ministers shared the view that development of the Mekong region is essential to accelerating ASEAN's integration agenda and enhancing ASEAN connectivity, thus giving impetus to regional cooperation in wider East Asia.

The Han River Declaration also outlined six priority areas of cooperation: Infrastructure, Information and Communications Technology (ICT), Green Growth, Water Resource Development, Agriculture and Rural Development, as well as Human Resource Development.

In 2013, the Mekong-ROK Cooperation Fund (MKCF) was established and the Mekong Institute (MI) was tasked to act as its coordinator in 2015. The MKCF provides grants for regional projects, aimed at facilitating the regional integration process. Benefits are shared among the Mekong countries and South Korea, even though the project was implemented in one country. The size of the fund was doubled to US\$2 million in 2019 and will be increased to US\$3 million in 2020.

In August 2019, at the 9th Mekong-ROK Foreign Ministers' Meeting in Bangkok, South Korea's decision to become a development partner of the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) was welcomed. During President Moon Jae-in's visit to Laos on 5 September the same year, he announced the Mekong-Korea Vision and expressed his hope that the Miracle on the Han River in South Korea will be replicated as the Miracle on the Mekong River. To this end, he emphasized that Korea would actively share its development experiences, know-how and pursue sustainable co-prosperity.

Projects facilitated by the MKCF have been conducted in six priority sectors. At the time of writing, a total of 13 projects have been successfully implemented or are still in progress, and another seven projects had been endorsed for the year 2019.<sup>1</sup>

It should also be noted that South Korea's bilateral official development assistance (ODA) for the Mekong countries (excluding Thailand) has increased steadily. The total amount committed during 1987-2017 was US\$3.3 billion and accounted for 21.1 percent of South Korea's total ODA. In 2017, the amount was US\$400 million and accounted for 23.8 percent of South Korea's total ODA that year. Hence, a sizeable portion of South Korea's ODA has already been allocated to the Mekong countries. To achieve optimal results then, there must be increased synergy between the MKCF projects and the ODA.

As it is essential to engage the private sector in the expansion of cooperation, the 1st Mekong-Korea Business Forum was initiated in 2013. Since then, the Business Forum, which can serve as a platform to connect businesses, particularly the small and medium-sized enterprises (SMEs), has taken place annually. The 7th Business Forum was held recently in Bangkok with the theme of 'Enhancing SMEs Innovation Capacity'.



## Obstacles and challenges ahead

Of the complex challenges ahead, the biggest dilemma presently is to balance the sustainable development agenda with environmental preservation in the Mekong region.

Another challenge is the conflicts of interest among the Mekong countries for the equitable use of water, particularly between the downstream and upstream countries.

The growing strategic competition or rivalry among the major powers also constitutes a source of concern.

Furthermore, the lack of governance over the regional cooperation mechanisms – such as the Mekong River Commission (MRC), Greater Mekong Subregion (GMS) Economic Cooperation Program, and ACMECS – makes it difficult to effectively coordinate cooperative projects.

Finally, ASEAN's lack of enthusiasm towards cooperation in the Mekong region must be highlighted. Such indifference might undermine ASEAN's centrality and relevance in the region. Hence, ASEAN's initiative and stewardship need to be strengthened.

## Outcome of the 1st Mekong-ROK Summit

Notably, South Korea is the third non-ASEAN country – the other two are Japan and China – that has held regular summits with the Mekong countries. It was previously agreed that the Mekong-ROK Summit will be held annually on the side-lines of ASEAN-related summits, whereas summits in South Korea will be held with the consensus of the participating countries.

The 1st Mekong-ROK Summit, which was held in Busan on 27 November 2019, adopted the Mekong-Han River Declaration for Establishing Partnership for People, Prosperity and Peace, which specifically presented the visions and future directions of the partnership between the Mekong countries and South Korea.

The Declaration updated the priority areas of cooperation, based on the NSP, to better respond to the rapidly changing global environment. It outlined seven new priority areas

by putting more emphasis on culture, tourism and non-traditional security issues.<sup>2</sup> The Declaration also reaffirmed the commitment to promote Mekong-Korea cooperation encompassing the following agenda: People for Inclusive Society, Prosperity by Sharing Experience, Peace for Sustainable Development, and Cooperation with Existing Mechanisms.

## Way forward

What then should be done to make Mekong-Korea cooperation more viable and sustainable?

First, the needs of the Mekong countries should be clearly identified and properly addressed. This should be the starting point to deepen cooperation between the two sides. To this end, strategic dialogues should be convened at all levels and with all stakeholders, including the private sector.

Second, the MKCF and the ODA need to be effectively implemented; synergy between the two should be increased. Transparency in how the MKCF projects use the funds provided must also be improved.

Third, the Mekong-Korea cooperation should be developed in line with the ASEAN-ROK cooperation agenda in order to promote the integration of ASEAN.

Fourth, the cooperation mechanisms of the countries involved should be reinforced and coordinated. Such collaboration would be conducive to the enhanced integration of the region as well as the building of confidence in the projects. For example, the Thailand International Cooperation Agency (TICA) and the Korea International Cooperation Agency (KOICA) have jointly implemented six training courses between 2017 and 2019 in the areas of sustainable agriculture and development of water resources. Another example is the capacity-building project on water data utilization in the Mekong region, organized by the Korea Water Resources Corporation (K-Water), National Aeronautics and Space Administration (NASA) and the MRC.

Fifth, Mekong-Korea cooperation should be developed in close collaboration with other regional cooperation frameworks, such as the MRC, GMS, ACMECS, Lower Mekong Initiative (LMI), Mekong-Japan Cooperation and Lancang-Mekong Cooperation (LMC).

Last, but not least, the Mekong countries and ASEAN should design and build a regional framework with unified positions. Doing so would prevent us from getting pulled into the major powers' conflicts of interests and competitiveness and reduce our dependence on them. In this regard, South Korea intends to strengthen its partnership with the ACMECS, which is led by the Mekong countries themselves.

## Conclusion

The 1st Mekong-ROK Summit, which successfully presented the visions and future directions of cooperation, is a milestone that elevates the Mekong-Korea partnership. In future, Mekong-Korea cooperation will be developed with the vision of promoting peace and prosperity, thereby contributing to the mutually beneficial partnership and enhanced integration of ASEAN.

To make Mekong-Korea cooperation more viable and sustainable, a realistic plan of action should be outlined. Its implementation mechanisms should function efficiently through strategic dialogues and consultations between the two sides.

As a middle power, South Korea cannot and should not compete with the major powers in terms of the extent of cooperation and assistance. Nonetheless, South Korea is well-poised to be an excellent partner to bring peace and co-prosperity to the Mekong region as well as the Korean Peninsula.

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### Endnotes

- <sup>1</sup> The MKCF-funded projects in 2019 include: Capacity Building and Institutional Strengthening for Logistics Monitoring and Evaluation Database Development in Cambodia, Lao PDR and Vietnam (Cambodia); Development of Regional Cooperation Project Monitoring Data Center (Laos); Demonstration of Model Community Forests to Promote Community Forestry Development and Improve Livelihood of Local Community (Myanmar); Capacity Building on Circular Economy, Resource and Energy Efficiency for Productivity and Sustainability of Cassava Chain to High Value Products (Thailand); Strengthen the Water User Organizations (WUOs) for Irrigated Agriculture Development in the Mekong Delta (Vietnam); Water Data Utilization Platform Prototype and Capacity Building in the Mekong Region (South Korea/the United States); and Sustainable Smart Tourism Development in the Mekong Region (Mekong Institute).
- <sup>2</sup> The seven new priority areas are: culture and tourism, human resource development, development of agriculture and farming areas, infrastructure, information and communications technology (ICT), the environment, and non-conventional security cooperation.

PART III

**Navigating Strategic  
Uncertainties and Reaching  
Out to North Korea**



# ***The Synergy between ASEAN and the Republic of Korea in Engaging North Korea: Feasibility and Recommendations***

Nguyen Thi Bich Ngoc

## **Background**

Since 1989, relations between the Association of Southeast Asian Nations (ASEAN) and the Republic of Korea (ROK, hereafter South Korea) have developed gradually into a Strategic Partnership for Peace and Prosperity. In 2017, the New Southern Policy (NSP), launched by President Moon Jae-in, with its objective to establish a co-prosperous, people-centred and peace community, marked a higher level of mutual trust between the two sides.

The NSP was initiated in a fast-changing world where intensified rivalry and competition between the major powers have caused greater uncertainties to international security. Indeed, the surge of unilateralism and power politics has undermined multilateralism and international law. A trend of increasing arms spending and defence modernization has been observed since the weakening of international legal instruments for arms control. The contestation of big powers, as a result of changing balance of power and policy adjustments, has complicated the world security landscape, particularly in the Korean Peninsula.

In 2017, the Democratic People's Republic of Korea (DPRK, hereafter North Korea) conducted one nuclear test and launched ballistic missiles 15 times, including three intercontinental ballistic missiles (ICBMs). After launching a new ICBM, Hwasong-15, on 29 November 2017, North Korea issued an official statement about the establishment of a nuclear armed force to demonstrate its ability to strike the US mainland and to gain recognition as a nuclear state. In addition to the security threat created by North Korea, Seoul faced a lot of difficulties in its relations with Beijing in 2017 because of the deployment of the Terminal High Altitude Area Defense (THAAD).

Against this backdrop, the resolution of the security crisis and establishment of peace on the Korean Peninsula were declared as top priorities for South Korea. Making a breakthrough in inter-Korean relations has become imperative for President Moon not only from the security perspective, but also from the viewpoint of domestic politics. Successful engagement with North Korea – which can reduce the level of security threat to Seoul – will distinguish President Moon from his predecessors and help him leave a remarkable political legacy. The Moon administration took measures to improve inter-Korean relations, deter North Korea's further provocations and bring North Korean counterparts to denuclearization talks. In order to promote a peaceful resolution while managing the situation in a stable manner, that is, to prevent further escalation of tensions surrounding the Korean Peninsula, President Moon announced the Berlin Initiative in July 2017 and managed to garner the support of the international community for the Initiative.<sup>1</sup>

Seoul also implemented such proactive measures as humanitarian assistance to North Korea, promotion of summit diplomacy, as well as sports diplomacy between the two Koreas. The marching of sportsmen from the two Koreas under a joint flag in the PyeongChang 2018 Olympic Winter Games and the meeting between South Korean President Moon and North Korean leader Kim Jong-un on Mount Paektu can be considered as the culmination of inter-Korean relations.

In addition to bilateral channels between the two Koreas, South Korea made efforts to facilitate dialogues with North Korea through other channels. In this context, the NSP was designed to be a catalyst not only for ASEAN-ROK relations, but also for ASEAN to play a more proactive role in engaging North Korea with the international community. The ASEAN Member States (AMS) are viewed by Seoul as efficient partners for promoting dialogue with Pyongyang.<sup>2</sup> South Korean policymakers and experts

recognize the geographical proximity and historical linkages between Southeast Asia and the Korean Peninsula.<sup>3</sup> All 10 AMS have diplomatic relations with North Korea; eight host North Korean embassies in their capitals. Significantly, all ASEAN countries are signatories to the Treaty on the Southeast Asia Nuclear-Weapon-Free Zone (SEANWFZ) (1995). The US-DPRK summits hosted by Singapore and Vietnam in the last few years demonstrated the willingness of the AMS to promote inter-Korean dialogue, as well as dialogues between North Korea and other countries.

ASEAN is also capable of mediating and facilitating high-level negotiations over pressing issues related to the Korean Peninsula. Although Kim Jong-un decided to restart the North Korean weapons programme after the Singapore and Vietnam summits, and even declared the development of a ‘new strategic weapon’ in late December 2019, the international community should not stop seeking peaceful resolutions for the issue.<sup>4</sup> In January 2020, the appointment of a former military official Mr Ri Son-gwon (with experience in inter-Korean talks over the past 15 years) as North Korea’s foreign minister suggested that North Korea would pursue a hardline policy in the near future. This policy shift taken by Pyongyang can be explained by developments in the regional and global landscape. Furthermore, the upcoming US presidential election in November 2020 is preventing the Trump administration from having any substantial talk with North Korea.

Indeed, it is crucial – for regional security objectives – to engage North Korea in dialogue after a deadlock of more than a year in the US-DPRK talks. As emphasized by President Moon Jae-in in early January 2020, there is a desperate need for practical ways to improve ties with North Korea.<sup>5</sup> So, for the time being, South Korea should mobilize all possible channels, including ASEAN and ASEAN-led mechanisms, to promote dialogue with North Korea.

## **Synergy between ASEAN Community Vision 2025 and South Korea’s policies**

The NSP has been one of President Moon’s core diplomatic initiatives since the beginning of his tenure. The policy aims to elevate South Korea’s relations with the ASEAN countries and India to the same level as its relations with the four major powers. It highlights the Moon administration’s efforts to implement a more comprehensive,

efficient foreign policy and to generate an environment conducive for South Korea's peace and development. As a key component of South Korea's foreign policy, the NSP seeks to advance national interests not only in its relations with ASEAN countries and India, but in inter-Korean relations as well.

First, there is a degree of convergence between the NSP, South Korea's policy towards North Korea and ASEAN Community Vision 2025, which can be seen clearly in the objectives of these policies. The establishment of a community of People, Prosperity and Peace (known as the 3Ps) as the NSP's main goal is very much similar to the three pillars of the ASEAN Community – Political-Security, Economic and Socio-Cultural. President Moon's policy towards North Korea, according to South Korea's Ministry of Unification, 'is a long-term and comprehensive policy led by Korea to realize peace and prosperity on the Korean Peninsula, as well as Northeast Asia together with North Korea, regional neighbours and the international society'.<sup>6</sup> The Moon administration defined three goals in South Korea's relations with North Korea, namely: (i) Resolution of North Korean nuclear issues and establishment of permanent peace; (ii) Development of sustainable inter-Korean relations; and (iii) Realization of a new Economic Community on the Korean Peninsula. In combination, these goals reflect key directions of South Korea's policy towards North Korea, which were crafted respectively in three main areas, namely peace, people and prosperity.

Second, the complementary nature of the NSP, ASEAN Community Vision and South Korea's policy on the Korean Peninsula can be seen in the tasks and action lines defined by each side. South Korea's Presidential Committee on NSP articulated 16 core policy tasks based on the 3Ps. Of these, the 13th task aims to boost cooperation with AMS and secure support from ASEAN for the peace process on the Korean Peninsula.<sup>7</sup> Meanwhile, according to the ASEAN Political-Security Community Blueprint 2025 (under the key elements of peaceful and stable region B.5), AMS have agreed to preserve Southeast Asia as a region free from nuclear weapons and other weapons of mass destruction, while contributing to global efforts on disarmament, non-proliferation and the peaceful use of nuclear energy. Specifically, AMS are committed to implementing the SEANWFZ Treaty and its Plan of Action, as well as to support the establishment of regional nuclear-weapon-free zones.<sup>8</sup> This commitment has been developed further in other ASEAN documents on the Korean Peninsula. In August 2017 and March 2018, ASEAN Foreign Ministers issued two statements on developments in the Korean Peninsula, which reiterated their support for a complete, verifiable and irreversible



denuclearization of the Korean Peninsula in a peaceful manner. Having expressed grave concerns over the escalation of tensions on the Korean Peninsula, the statements by AMS were also a reaffirmation of their readiness to play a constructive role in building peace and stability on the Korean Peninsula.

Third, another feature common in both South Korea's policies and the ASEAN Community Vision is the importance attached to the People Pillar. According to the ASEAN Community Vision 2025, the 10 AMS pledged to realize a rules-based, people-oriented and people-centred ASEAN of 'One Vision, One Identity, One Community'. Among the three pillars of the ASEAN Community, the ASEAN Socio-Cultural Community is the pillar that involves the largest numbers of government agencies and stakeholders from all member states in the implementation of action lines. Regarding South Korea, its national vision of 'A Nation of the People, a Just Republic of Korea' was adopted by President Moon as the main guideline for both domestic and foreign policies during his tenure. Accordingly, as mentioned by Foreign Minister Kang Kyung-wha, South Korea's foreign policy aimed to realize 'diplomacy reflecting the will of the people, and diplomacy comprising communication with the people'.<sup>9</sup> Therefore, the People Pillar has been emphasized by the Moon administration in terms of both policymaking and implementation. South Korea's Presidential Committee on NSP advocated a people-centred diplomacy that 'caters to the needs of people and produce policy outcomes that can be shared and felt by the people'.<sup>10</sup> In reality, people-to-people linkages between ASEAN and South Korea, since the launching of the NSP, have been boosted significantly through a wide range of such activities as tourism and cultural exchanges. From 2017 to 2018, there was a 1.1 million surge in the number of South Korean visitors to ASEAN countries, while the number of ASEAN visitors to South Korea increased from 2.140 million to 2.462 million.<sup>11</sup> Through the initiative of the South Korean government, the first ASEAN Culture House in a Dialogue Partner country was opened in Busan in September 2017.

Besides the NSP, South Korea's policy towards North Korea also underscored people-to-people relations in which two out of five key policy tasks focused on. These tasks aimed to improve inter-Korean relations through exchanges and resolve humanitarian issues, such as North Korea's human rights, defectors and separated families. The efforts taken by the Moon administration have been proven by the surge in the number of cross-border travellers between the North and the South from 115 in 2017 to 7,498 in 2018.<sup>12</sup> Unfortunately, this trend could not continue in 2019; 9,835 South Korean

citizens travelled to the North, but North Korean citizens were not allowed to travel to the South. Undoubtedly, people-to-people exchanges is an area of mutual interest and great potential that ASEAN countries and the two Koreas need to develop for a deepened mutual understanding among their peoples.

The aforementioned points highlight the feasibility of a synergy between ASEAN Community Vision and South Korea's NSP and policy towards North Korea. Indeed, South Korea and ASEAN have made joint efforts in creating such a synergy to bring about positive outcomes in their relations with North Korea.

Besides the US-DPRK summits in Singapore and Hanoi, AMS has also taken the initiative to share reform experiences and promote practical cooperation with North Korea. During Kim Jong-un's state visit to Vietnam in 2019, he met with all the top leaders in the Communist Party of Vietnam, government and National Assembly, who reaffirmed their willingness to boost bilateral cooperation. Vietnam's reform experience was demonstrated to Kim Jong-un during his visit to the VinFast automobile factory and VinEco high-tech agricultural complex in the port city of Hai Phong. Vietnam also delivered to the North Korean leader a message of peace through the gilded picture of the former leaders Ho Chi Minh and Kim Il-sung framed in metal olive branches and a dove symbolizing peace.

Furthermore, the joint commitment of ASEAN countries and South Korea to promote peace in the Korean Peninsula gained new momentum with the 2019 Commemorative Summit on the occasion of the 30th anniversary of ASEAN-ROK Dialogue Relations. According to the Co-Chairs' Statement of the 2019 ASEAN-ROK Commemorative Summit, both sides reiterated 'the importance of international efforts to achieve the complete denuclearization of the Korean Peninsula in a peaceful manner, the fulfilment of relevant UN Security Council obligations by all UN Members, and the establishment of lasting peace and stability on the Korean Peninsula'.<sup>13</sup> In the meantime, ASEAN leaders welcomed President Moon's three principles of resolving issues regarding the Korean Peninsula and his vision to transform the demilitarized zone (DMZ) into an international peace zone. In the Joint Vision Statement for Peace, Prosperity and Partnership, signed in November 2019, South Korea expressed its appreciation of ASEAN's readiness to continue playing a constructive role in contributing to peace and stability on the Korean Peninsula. The two sides agreed to 'promote and facilitate dialogue and cooperation, including through ASEAN-led mechanisms, to support

complete denuclearization and the establishment of permanent peace on the Korean Peninsula in a peaceful manner, and thus contribute to lasting peace, security and stability in the region'.<sup>14</sup> As a result, just as ASEAN's and South Korea's commitments were reaffirmed in two milestone documents; the determination of the two sides should also be developed into new initiatives and practical cooperation.<sup>15</sup>

Given recent developments in the Korean Peninsula during the second half of 2019 and in early 2020, a synergy between ASEAN Community Vision and South Korea's policies is not only feasible, but also imperative for peace, stability and prosperity in East Asia. As mentioned earlier, after the summits with South Korea and the United States in 2018-2019, North Korean leaders have taken a tougher stance in domestic politics and external relations. In March 2020, the warning given by the North Korea state media to the country's officials against abuses of power, calling for 'poisonous plants' to be 'uprooted at the right moment',<sup>16</sup> suggested a high-level of internal pressure.

Besides continuing weapons testing, in early 2020, the Korean People's Army conducted several major trainings, while the construction of the Pyongyang's General Satellite Control Center was accelerated. North Korean leader Kim Jong-un took steps to forge closer ties with China, Russia and other countries, while condemning the United States for ignoring the deadline for sanctions relief. Despite all the tension and hardline posture, North Korea still needs to maintain communication and cooperate with South Korea and the ASEAN countries.

On 2 March 2020, North Korea's Ministry of Foreign Affairs issued a press statement by Vice Minister Ri Kil-song to mark the first anniversary of Kim Jong-un's visit to Vietnam. The press statement not only emphasized the importance of the meeting between the top leaders of Vietnam and North Korea, but also reaffirmed North Korea's desire 'to develop the bilateral relations onto a higher stage as a required by the new era in the convulsive world political situation'.<sup>17</sup> Furthermore, on 5 March 2020, Kim Jong-un sent a letter to President Moon to express his condolences over the coronavirus outbreak in South Korea and to share candid thoughts on inter-Korean relations. By sending the letter shortly after Kim Yo-jong, Kim Jong-un's sister, insulted South Korea in her first official statement, Kim Jong-un sent mixed signals to both South Korea and the international community.<sup>18</sup> However, the fact that Kim Jong-un underlined his trust and friendship to President Moon in the letter suggested that he

would not risk ending relations with South Korea despite the setback between the two Koreas in 2019. Total confrontation with South Korea and frosty relations with East Asian countries will not provide Kim Jong-un with the environment to strengthen his legitimacy. Taking into consideration the aforementioned moves of North Korea, it is critical for South Korea to resume dialogue with Pyongyang by utilizing all possible channels, particularly through joint efforts with AMS.

Meanwhile, ASEAN and South Korea need to acknowledge the difficulties that can hinder their efforts in engaging North Korea. On ASEAN's part, the level of interest in developments on the Korean Peninsula varies with particular countries due to differences in their bilateral relations with the two Koreas. The level of the ASEAN countries' interest in North Korea also depends on the fluctuating circumstances on the Korean Peninsula. Additionally, limited resources and concern about other regional security issues often prevent AMS from getting too involved in North Korean issues. On South Korea's part, a change in administration along with policy shifts often lead to the interruption or limitation of resources allocated for joint efforts with ASEAN. In a broader context, relations with the major powers have always been a key factor that South Korea and ASEAN countries need to consider when dealing with North Korea. Therefore, while a synergy between ASEAN and South Korea in engaging North Korea is feasible and important, cooperation among them in this direction should be promoted from a realistic perspective.

## Recommendations for ASEAN and South Korea

In general, during the first half of President Moon's tenure, South Korea managed to move dialogue forward with North Korea – the personal relations between the top leaders also improved. Undoubtedly, President Moon made great efforts to persuade US President Donald Trump to talk bilaterally with Kim Jong-un, as well as to support the ASEAN countries' endeavours to play a more constructive role in issues related to the Korean Peninsula. However, since the Summits could not bring about the sanctions relief that Kim Jong-un expected, North Korea took the path of escalation and provocation again. The 2018 and 2019 summits with North Korea suggest that deterrence and balance of power are still foremost in the mind sets of North Korean leaders. Denuclearization on the Korean Peninsula will be impossible as long as the Kim family has no intention of abandoning weapon development programmes. Besides,

the Summits – albeit well-prepared and thoughtfully facilitated – could not create a breakthrough without candid exchanges on substantial points at the working level. During the next couple of years, amidst the intensifying rivalries among the major powers, it is very likely that North Korea will continue to use nuclear weapons as a bargaining chip in talks with South Korea and the United States. Therefore, in order to regain the momentum of dialogue with North Korea, South Korea and ASEAN need to develop a more practical approach in formulating a strategic vision for the Korean Peninsula while maintaining regional security.

In the second half of President Moon's tenure – against the backdrop of the COVID-19 pandemic – difficulties in relations with Japan and North Korea, US-China rivalry, economic slowdown, and other uncertainties will pose new challenges to South Korea's leaders. For North Korea, Kim Jong-un is taking steps to consolidate power and strengthen the legitimacy of the Workers' Party through key accomplishments in economic development and its weapon programme. In the coming years, competition will continue to be the main trend in US-China relations. In this context, it is critical for ASEAN, South Korea and the wider region to prevent situations where the Korean Peninsula and/or several other regional security issues, especially those related to territorial disputes and military competition, become the epicentre of US-China rivalry.

Meanwhile, it is unrealistic to expect that denuclearization and a peace treaty can be achieved in the next couple of years, when Kim Jong-un is trying to take advantage of the rivalry between the United States and China. The most feasible and significant outcome that can be achieved in the second half of President Moon's term is the maintenance of peace and stability on the Korean Peninsula, and, if possible, a temporary freeze of North Korea's weapon programme. Hence, when engaging North Korea in the near future, ASEAN and South Korea should collaborate to advance the agenda of peace and confidence-building through dialogues with North Korea. In addition, ASEAN and South Korea should make it clear to Pyongyang that the dialogues are aimed at promoting peace and mutual understanding, which are conducive to North Korea's development.

Although some experts are pessimistic about the possibility of activating the NSP as a channel to engage North Korea,<sup>19</sup> coordination between the NSP and ASEAN Community Vision to achieve this goal is still feasible and necessary to encourage practical cooperation with Pyongyang. As said, the synergy between ASEAN and South

Korea should be based on the People Pillar as a shared priority of both sides and should take initiatives to address humanitarian issues on the Korean Peninsula. While summit diplomacy still cannot bring about the desired outcome, people diplomacy will be a helpful way to maintain the momentum of collaboration and also to create tangible benefits for all sides.

Taking into consideration North Korea's rejections in the past, ASEAN and South Korea should focus on concrete projects in those areas that North Korea is keen to promote. Additionally, both sides should adopt a realistic and equal approach towards North Korea, instead of the give-and-take approach, which is often regarded with suspicion by North Korea. Below are several specific recommendations for ASEAN and South Korea's joint efforts in engaging North Korea.

## Healthcare

Amid the coronavirus outbreak in early 2020, healthcare is an area of great potential for the trilateral cooperation of ASEAN, South Korea and North Korea. In mid-March 2020, Kim Jong-un's presence at the ground breaking ceremony of a new general hospital in central Pyongyang, which is to be built by October 2020, indicated the North Korean leader's interest in boosting the healthcare sector. This step was aimed not only at tackling the COVID-19 pandemic, but also at strengthening the legitimacy of North Korea's ruling party. Given North Korea's interest in developing the healthcare sector, ASEAN countries and South Korea should promote cooperation with North Korea by providing medical infrastructure and pharmaceuticals and sharing experiences in community healthcare system and addressing epidemics.

## Tourism

Since 2011, North Korean leaders have declared their plan to make tourism a priority in economic development. Over the last two years, the construction the Wonsan-Kalma Coastal Tourism Zone was prioritized under Kim Jong-un's *Byungjin* policy (parallel development of nuclear weapons and national economy) was set to be completed by mid-April 2020. The project was not completed because the construction materials were part of sanctioned items.

Although the project was considered a ‘huge waste of money’ by some experts,<sup>20</sup> it is one of the key investments made by Kim Jong-un to demonstrate his achievement in boosting the economy and improving the people’s quality of life. Since tourism is not subject to international sanctions, AMS should explore opportunities for cooperation in this area and encourage people-to-people exchanges with North Korea through travelling and cultural activities. As people connectivity can be a catalyst for sustainable relations with North Korea, ASEAN’s support for this landmark project will help deepen mutual understanding and bring new opportunities to expand collaboration to other domains.

## Landmine removal

Landmines and unexploded ordnance still pose a serious threat to life in continental Southeast Asia. Some of the world’s largest minefields are in Cambodia, Laos and Vietnam. These minefields very much need to be cleared. In the Korean Peninsula, it is estimated that more than one million landmines were planted in the DMZ.<sup>21</sup> In October 2018, the two Koreas started to collaborate on landmine removal in the DMZ, but only a few hundred landmines were cleared. Since clearing land mines and unexploded ordnance are common concerns for ASEAN and the two Koreas, there is an urgent need to restart demining projects. All sides can also discuss the possibility of a trilateral cooperation framework in this area. Besides conducting joint landmine removal, it would also be meaningful for all sides to promote capacity-building and exchanging best practices in the eradication of these remnants of war. Cooperation in this area is an effective way to improve human security in the region and also to realize President Moon’s vision of transforming the DMZ into a zone of peace.

By taking initiatives in the aforementioned areas, ASEAN and South Korea can involve North Korea in mutually beneficial projects and foster a better atmosphere for trust-building in the Korean Peninsula. Along with the emphasis on the People Pillar, cooperation in such spheres as tourism and landmine removal can also open new opportunities for Prosperity and Peace Pillars between ASEAN and the two Koreas, as well as inter-Korean relations. For its part, ASEAN needs to encourage North Korea’s participation in the ASEAN Regional Forum (ARF) and ARF Experts and Eminent Persons (ARF EEP). Additionally, it is time for ASEAN to consider a framework that is suitable for developing relations with North Korea in the coming years. While ASEAN

established frameworks at different levels with a wide range of partners, it can be viewed as a shortcoming that so far there is no official framework between ASEAN and North Korea other than the ARF. In order to develop a suitable partnership with North Korea, the 10 AMS should demonstrate the core principles of ASEAN, such as non-interference and the peaceful resolution of disputes, and their willingness to engage North Korea with the regional and international community.

On one hand, domestic issues and community-building processes will continue to be the top priorities of AMS. On the other, in relations with external partners, ASEAN's capacity in dealing with such security challenges as the territorial disputes in the South China Sea as well as the issues in Rakhine State and the Korean Peninsula will reflect ASEAN's relevance in an evolving regional architecture. Therefore, ASEAN should make joint efforts and allocate adequate resources to strengthen mechanisms for peace and reconciliation. In the near future, the contribution of ASEAN towards peace and cooperation on the Korean Peninsula should be actively promoted through the role of the ASEAN Chair in agenda-setting and forging a common approach to engagement with North Korea among the 10 AMS. Additionally, the support of external partners has always been important for ASEAN's efforts in peace and reconciliation. In 2020 and 2021, as Indonesia and Vietnam hold their non-permanent membership of the United Nations Security Council (UNSC), an efficient ASEAN-UN collaboration would help strike a balance between pressure and aid to North Korea. In January 2020, during its presidency of the UNSC, Vietnam took the initiative to convene the ASEAN briefing, in which all UNSC members acknowledged ASEAN's commitment to peacebuilding and the vitality of the ASEAN-UN cooperation to maintaining international peace and security.<sup>22</sup> In late March 2020, Indonesian Ambassador to North Korea Berlian Napitupulu expressed hope for sanctions relief as a way of boosting trade with North Korea. These steps taken by AMS demonstrated ASEAN's ability to join hands with UN bodies in peacebuilding initiatives on the Korean Peninsula and promoting cooperation with North Korea. The non-permanent membership of the AMS at the UNSC should be taken as an opportunity for ASEAN to advance joint initiatives of resuming dialogues with North Korea and coordinating collective efforts for peace and stability in the Korean Peninsula.



## Conclusion

Amid intensifying major powers' rivalries, coordination among middle powers is vital for regional security and prosperity. As ASEAN and South Korea enter a new decade of their partnership, they need to generate a synergy based on the convergence of interests, mutual trust and coordination in policies. In the Joint Vision Statement and Co-Chairs' Statement, both sides agreed 'to further deepen strategic relations' and 'to work towards a strategic vision for ASEAN-ROK future relations'. Peace on the Korean Peninsula constitutes an integral part of regional peace and stability, thus comprising one of the key elements of strategic ties between ASEAN and South Korea. A strategic vision and a practical approach will be helpful for ASEAN and South Korea to involve North Korea in dialogues and concrete cooperation. In a regional landscape characterized by many uncertainties, a cohesive and responsive ASEAN can play a constructive role as a stakeholder, partner and honest broker in peacebuilding for the region, including the Korean Peninsula. Besides, the sustainability of South Korea's policies towards ASEAN is also an important factor for an efficient coordination between the two sides. If the core of the NSP can be sustained as a long-term strategy, ASEAN and South Korea can build momentum for their partnership and achieve a breakthrough in regional peace.

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# ***Rockets, Relationships and Regionalism: Opportunities for ASEAN to Engage with North Korea***

Farlina Said & Harris Zainul

## **Introduction**

Much have been written and said about the role of the Association of Southeast Asian Nations (ASEAN) in engaging the Democratic People's Republic of Korea (DPRK, hereafter North Korea) in the long-standing issues of denuclearization and peace on the Korean Peninsula. Despite the fact that two ASEAN Member States (AMS) – Singapore and Vietnam – provided the venues for the historic United States-North Korea Summits in 2018 and 2019, many have argued that much more can or should be done. President Moon Jae-in's invitation for North Korean leader Kim Jong-un to attend the 30th ASEAN-Republic of Korea (ROK, hereafter South Korea) Commemorative Summit seemed like an attempt to utilize the ASEAN platform. However, North Korea's refusal to participate – citing the ill-timing and inappropriateness of the venue – depicted ASEAN's limitations on the international stage.<sup>1</sup> Some sceptics were quick to point out that if ASEAN is incapable of managing its own affairs, how can it resolve a complicated issue involving North Korea's nuclear weapons programme?<sup>2</sup> This chapter frames and articulates ASEAN's potential role, while recognizing its unique opportunities and inherent limitations. All things considered, it is argued that ASEAN is a credible party whose engagement can help bring about peace on the Korean Peninsula.

## Benefits and shortcomings of ASEAN's institutional design

ASEAN's involvement in the security of the Korean Peninsula has been tentative. While the New Southern Policy (NSP) has a peace component, projects under this pillar are associated with such activities as removing landmines in the Mekong region.<sup>3</sup> Lee Jaehyon stated that previous South Korean governments were more interested in gaining ASEAN's support for South Korea's position than ASEAN's active and constructive contributions.<sup>4</sup> ASEAN's limited role in peacebuilding on the Korean Peninsula can also be attributed to ASEAN's institutional design and key norms, which draw the line between ASEAN's potential and its limits. This division is critical when considering ASEAN's possible roles on the Korean Peninsula.

Embedded in ASEAN's foundational treaty, signed by the five founding members in 1976, the Treaty of Amity and Cooperation (TAC), are the key substantive norm of 'non-interference in the domestic affairs of another state' and the key procedural norm of consensus-based decision-making, on top of the principles of mutual respect for sovereignty, peaceful settlement of disputes and renunciation of the use and threat of force. Today, these norms are collectively known as the 'ASEAN Way'. The explanation for this institutional design is simple – ASEAN was founded in the midst of the Cold War and at a time when the entire Southeast Asian region was rife with tensions. As an intergovernmental organization, ASEAN was meant to provide a stabilizing force in Southeast Asia rather than to resolve geopolitical issues afar. This rationale has coloured ASEAN's approach towards most issues, including the Korean Peninsula.

This limitation by design is reflected in how ASEAN's centralization has only proceeded to the extent of establishing a Secretariat in Jakarta that is mandated to 'provide for greater efficiency in the coordination of ASEAN organs and for more effective implementation of ASEAN projects and activities'.<sup>5</sup> Glaringly absent is the Secretariat's lack of agenda-setting capabilities, which means that any initiative involving ASEAN will require the consensus of all 10 AMS, thus reducing any regional initiative to what the 10 AMS find acceptable. Thus, ASEAN initiatives have moved at a glacial pace, drawing such derisive labels as 'ASEAN is more of a talk shop than a platform for meaningful action'.

That said, to move forward with Southeast Asian regionalism would require identifying where the interests of the 10 AMS converge and intersect. Unfortunately, this is made all the more complicated by the greatly varying stages of development and different governance systems in the AMS. ASEAN includes a member state with one of the highest gross domestic product (GDP) per capita in the world (Singapore) and others that are at earlier stages of economic development, such as Laos, Myanmar and Cambodia. The variety of governance systems within ASEAN encompasses republican democracies (Indonesia, Myanmar, the Philippines and Singapore), constitutional monarchies (Cambodia, Malaysia and Thailand), single-party Communist states (Laos and Vietnam) and an absolute monarchy (Brunei). This means that economic and developmental interests as well as political incentives will differ, further highlighting how – in spite of ASEAN having existed for more than half a century – engagement within and without the intergovernmental organization ought to be viewed through the lens of individual AMS cost-benefit imperatives.

## The case for ASEAN's involvement in the Korean issue

It can be argued, nonetheless, that ASEAN's pacifist nature and substantive non-interference norm – the lack of ambition to expand and/or exert geopolitical pressure on other countries, coupled with its non-domineering nature – make it an attractive player in the ongoing peace issue in the Korean Peninsula. Adding to this appeal is the fact that all AMS are also members of the Non-Aligned Movement (NAM), which means that, formally, they are not aligned with or against any major power bloc in terms of international positioning.

From a historical perspective, the relationship between AMS and North Korea is one that has been forged through the years, though it has not always been smooth. Relations began in 1950 between North Korea and Vietnam in ideological solidarity at the cusp of the Cold War.<sup>6</sup> Nations like Malaysia, Singapore and Thailand established relations when North Korea was admitted into NAM,<sup>7</sup> but stability between North Korea and most AMS was affected by each nation's proximity to the United States. North Korea's engagement with Southeast Asian nations, such as Malaysia and Thailand, was strengthened in early 2000 when North Korea was first admitted to the ASEAN Regional Forum (ARF).<sup>8</sup> However, the relationships between North Korea and the Southeast Asian countries have had difficulties over the years, whether the reasons

were North Korea's subterfuge, pressure from internal or external forces, or criminal activities. The 2017 incident at Kuala Lumpur International Airport 2 (KLIA2), the alleged abduction of a Thai woman in 2003 and cybercriminal activities have created tremors in an otherwise stable relationship.<sup>9</sup>

It has been suggested that ASEAN is generally not too concerned about the direct threat to its member states posed by a nuclear-armed North Korea.<sup>10</sup> It has been argued that, instead of immediate security calculations, ASEAN's involvement in the Korean issue should be grounded primarily in geopolitical interests, particularly as ASEAN has expressly stated it wants to be central in the regional decision-making process.<sup>11</sup> However, Amitav Acharya has opined that this centrality has eroded over the years, resulting in ASEAN's multilateral mechanisms being viewed with scepticism.<sup>12</sup> As it has been more than half a century since ASEAN was established, the participation of ASEAN and its member states in such regional issues as peace on the Korean peninsula will determine its standing in the future.

Additionally, although North Korea has acquired the moniker of the 'hermit kingdom', Pyongyang has long standing relations with all 10 AMS. In terms of diplomatic relations, there are North Korean embassies in all AMS except the Philippines and Brunei, while Cambodia, Indonesia, Laos and Vietnam currently maintain embassies in Pyongyang (Malaysia has suspended the operations of its embassy since 30 March 2017).<sup>13</sup> A dataset compiled by the East-West Center's 'North Korea in the World' project indicates that 'Pyongyang has sent 95 high-level diplomatic delegations to Southeast Asia over the past two decades, accounting for over a quarter of the known travel of top North Korean officials'.<sup>14</sup> Regardless, trade figures between ASEAN and North Korea are more modest, 'topping out at over US\$400 million in annual bilateral trade in the mid-2000s before declining – gradually, then suddenly – with the onset of UN sanctions'.<sup>15</sup> As of 2017, trade figures have dropped by nearly 80 percent, totalling slightly less than US\$30 million.<sup>16</sup> At the multilateral level, ASEAN has the privilege to claim that the ARF has been the only multilateral platform involving North Korea, the United States, South Korea, Japan, Russia and China, following the breakdown of the Six-Party Talks in 2009. Thus, the AMS are well-poised to engage with North Korea.

Lastly, according to the 2019 State of Southeast Asia Survey Report by the ISEAS-Yusof Ishak Institute in Singapore, 998 of Southeast Asian respondents – which included regional experts and stakeholders from the policy, research, business, civil society

and media communities – revealed a pronounced preference for engaging North Korea, with 60.8 percent of respondents expressing their preference to ‘continue engagement with North Korea bilaterally and through the ARF’, and for ASEAN to ‘take an active role as an honest broker in facilitating the denuclearization process’ (43.5 percent).<sup>17</sup> It was also telling to note that only 24.9 percent of respondents in Southeast Asia had expressed support for ‘upholding sanctions until the United Nations Security Council lifts them’. While Nah mentioned the possibility of North Korea being a nuclear threat to ASEAN, in the 2020 edition of the survey report, 49.6 percent of the 1,308 respondents stated that ‘increased military tensions arising from the Korean Peninsula, South China Sea and Taiwan Strait’<sup>18</sup> were among their top three concerns for security challenges facing Southeast Asia.

## Limits to ASEAN’s engagement with North Korea

Efforts to deepen relations between AMS and North Korea have been inhibited mainly by three factors: sanctions, humanitarian limitations and geopolitical issues. These issues have developed because of North Korea’s missile tests, its nuclear programme and the resulting sanctions by the United Nations Security Council (UNSC) and the United States.

At the time of writing, 10 resolutions have been adopted by the UNSC regarding sanctions against North Korea.<sup>19</sup> Since Resolution 1718 was introduced in 2006, these sanctions have ranged from materials, the transfer of any knowledge that relates to weapons of mass destruction to a restriction of North Korea’s access to energy sources, as well as the employment of North Koreans.

Support for the United Nations (UN) sanctions are reflected in the relevant ASEAN documents. In 2010, following the sinking of South Korea’s *Cheonan*, the Joint Communiqué of the 43rd ASEAN Foreign Ministers Meeting iterated ‘the importance of relevant resolutions of the United Nations Security Council and their implementation, and of addressing the issue of humanitarian concerns of the international community’,<sup>20</sup> with the ASEAN-US statement in the same year highlighting UN Resolutions 1718 and 1874 specifically.<sup>21</sup> The language in ASEAN statements frequently expresses the need for all parties to contribute to an environment that would be consistent with the 2017 ASEAN Statement on the Developments in the Korean Peninsula indicating ASEAN’s

support ‘for the complete, verifiable and irreversible denuclearization of the Korean Peninsula’.<sup>22</sup> According to submissions to the UN, sanctions implementation by AMS includes circulating the information disseminated by the Council. Additionally, the Philippines, Vietnam and Thailand have acted on information – provided by a third country – about suspicious vessels traversing their waters. Following the round of tests in 2017, as well as the discovery of North Korea’s illicit activities in Southeast Asia, AMS abided by all UN resolutions, including ceasing the issuance or renewal of work authorizations for workers from North Korea.

Regardless of the implementation of sanctions, almost all AMS have indicated their interest to engage North Korea. Historically, Thailand has maintained balanced relations with North Korea, despite its role in the Korean War when it aided South Korea in response to a call from the UN.<sup>23</sup> Before 2006, Thailand and North Korea cultivated strong economic, educational, and agricultural ties and cooperation.<sup>24</sup> In particular, humanitarian assistance from Southeast Asia during North Korea’s famine and flood crisis were greatly appreciated by the North Korean government. These organizations include Thailand International Cooperation Agency (TICA), the regional offices of the International Committee of the Red Cross (ICRC – Thailand and Malaysia), MERCY Malaysia, and Indonesia’s National Agency for Disaster Management (BNPB), among others.<sup>25</sup>

Humanitarian activities are exempted from sanctions.<sup>26</sup> According to UN General Assembly Resolution 46/182, humanitarian assistance is defined as that which is ‘provided with the consent of the affected country and in principle on the basis of an appeal by the affected country’.<sup>27</sup> The UN Office for the Coordination of Humanitarian Affairs (OCHA) 2020 Report on North Korea’s needs and priorities mentioned that, of North Korea’s population of 25 million, an estimated 10.4 million lack nutritious food, clean drinking water or access to basic services like health and sanitation.<sup>28</sup> In particular, food security and agriculture, nutrition and access to such necessities as health care and clean water, are the basis of North Korea’s humanitarian concerns.

While providing humanitarian aid is a possibility, there are such challenges as funding, weak financial infrastructure and logistical issues when delivering supplies.<sup>29</sup> In 2018, the UN stated that agencies were not prevented from monitoring their projects, but field access to the projects was dependent on authorizations from the North Korean government. Additionally, considering the presence of sanctions and unresolved



conflict, conditions for the delivery of aid and assistance were unfavourable. Last, but not least, the OCHA 2020 report warned that the advances made in recent years may be lost because of insufficient funding and the loss of access and human networks.<sup>30</sup>

Geopolitically, it must be emphasized that ASEAN cannot satisfy the primary interests of either the United States or North Korea. For North Korea, this means that ASEAN can neither act as a counterweight against the non-proliferation pressure from the United States nor provide Pyongyang the regime security that is at the heart of Kim Jong-un's interests. For the United States, ASEAN cannot pressure Pyongyang into giving up its nuclear arsenal – even if ASEAN were to abide strictly by and implement the current sanctions levied against North Korea. Rather, ASEAN and/or its multilateral mechanisms can only play the role it is 'permitted' to do so by the United States and North Korea. Thus, progress will be difficult due to the current deadlock state of negotiations.

This is mainly because of the irreconcilable definitions of denuclearization and the sequencing of the denuclearization and relationship normalization process. The United States insists on upfront complete, verifiable, irreversible denuclearization (CVID) or final, fully verified denuclearization (FFVD), while it is very unlikely that Pyongyang will voluntarily give up its 'powerful treasured sword', built over decades in exchange for mere promises of a security guarantee. This appears to be a classic case of the prisoner's dilemma, where one party is incentivized to break any collective agreement to maximize individual gains.<sup>31</sup> The denuclearization and normalization process is also comparable to a 'situation in which mutually preferable bargain is unobtainable because one or more sides would have incentive to renege on those terms in the future'.<sup>32</sup> Mutual distrust, the predominant characteristic of the bilateral relationship between the United States and North Korea, further complicates matters.

The second geopolitical factor, which adds to the complexity of denuclearization on the Korean Peninsula, has to do with the personalities at the negotiating table. This factor primarily centres on how democratic mandates lead to varying levels of political will, resulting in different diplomatic strategies towards North Korea. This was observed in how the Kim Dae-jung and Roh Moo-hyun presidencies championed coexistence through the Sunshine Policy, which led to the opening and expansion of the Kaesong Industrial Complex, but the succeeding administration of President Lee Myung-bak brought along a change in diplomatic tact and a more hardline approach.<sup>33</sup>

Furthermore, the Sunshine Policy was also halted by a change of leadership in the United States; President George W Bush chose a similar hardline policy towards North Korea.<sup>34</sup> This demonstrates the interlinkages between political will on the Korean Peninsula and how they can be swayed by democratic outcomes.

On the other end of the spectrum is North Korea's political structure, which can only be determined by personality. North Korea's history has been dominated by three generations of Kims – Kim Il-sung (1948-1994), Kim Jong-il (1994-2011) and Kim Jong-un (2011-now). Political leadership in North Korea is centred on the ideology determined by the Workers' Party of Korea – the founding and ruling party. The ideology practiced by the state stresses the need for self-reliance, independence and sovereignty (*juche*) as well as the military first (*songun*) philosophy. In 2013, Kim Jong-un's announcement of *byungjin* strategy, parallel development of the North Korean economy along with its nuclear weapons program, was thought to have added the possibility of economic engagement to the denuclearization negotiating process.<sup>35</sup> As such, changes in leadership can impact the direction of negotiations and state ideology in North Korea.

But having said that, there is room for ASEAN to play a complementary role in resolving the Korean issue if, and only if, there is interest from the United States and North Korea to achieve the same goal. This complementary role generally centres on ASEAN's ability to create a sustained negotiating process, introduce confidence-building measures, incentivize good behaviour through economic engagement and providing humanitarian aid to build goodwill.

## Roles for ASEAN

### Track One and Track Two Opportunities

If ASEAN were to adopt a more proactive stance on the Korean issue, it should leverage its decades-old multilateral mechanisms to create a sustained engagement process with North Korea. This will prove pivotal for several reasons. The first stems from the fact that the denuclearization of North Korea and the normalization process which follows will most likely be phased and step-by-step rather than an upfront, one-fell-swoop unilateral measure. With the denuclearization process potentially taking up to 15 years,<sup>36</sup> the importance of creating a sustained engagement process

by institutionalizing the negotiations will reduce the potential risks associated with any transition of political power. Second, a more sustainable engagement process may have the added benefit of normalizing North Korea's entry into the international community. While admittedly only the United States can provide the security guarantee badly wanted by North Korea, it is still crucial that ASEAN plays a role in making North Korea a 'normal' member of the international community through its multilateral mechanisms.

ASEAN can also propose that a region of amity and cooperation in Northeast Asia be modelled after the Treaty of Amity and Cooperation (TAC) in Southeast Asia, which was established by the founding members of ASEAN in 1976 and includes South Korea, North Korea, China, Japan, the United States and Russia as signatories. The region of amity and cooperation can lay the foundation for future engagement by enshrining such norms as mutual respect of sovereignty, non-interference in domestic affairs, peaceful settlement of disputes and the renunciation of the threat or use of force. While this will, obviously, neither be legally binding nor enforceable, its potential to play a normative role in shaping the negotiation process' form and language can prove helpful.

ASEAN can elevate North Korea's status to Dialogue Partner. If North Korea signs the TAC, it is eligible to apply to be ASEAN's Dialogue Partner. If this can be achieved, relatedly, even more enticing offers can be made to North Korea. In addition to the ARF, which has enjoyed North Korean participation over the decades, ASEAN can invite North Korea to observe the East Asia Summit (EAS), with the option of admitting it as a full member in the long term. These opportunities, which provide for increased face time, is salient in the early days of the negotiation process when mutual suspicions still run high.

A more ambitious possibility is to include North Korea in the ASEAN Defence Ministers' Meeting Plus (ADMM-Plus) process. This can be done in phases, initially with North Korea participating as an observer and, perhaps once the denuclearization and normalization process deepens, as a full-fledged member. This will be beneficial for two reasons. First, North Korea's threat perception and suspicions of other countries in the military domain and vice versa can be reduced. Second, the inclusion of North Korea will realize an objective of the ADMM-Plus, which is 'to adopt greater outward-looking external relation strategies with our friends and Dialogue Partners'.

In addition to these options, ASEAN can also leverage its member states' Track Two capacity and processes. This may be a more cost-effective option, especially since ASEAN has never gone out of its way to pursue peace on the Korean Peninsula as a foreign policy priority. As ASEAN's resources are limited, it is important to manage well whatever resources are available, while inching towards the goal of denuclearization. (After all, the price tag for the Trump-Kim Summit in Singapore was US\$12 million).<sup>37</sup> Perhaps smaller contributions by AMS towards informal Track Two processes will build trust and understanding, which can bolster confidence-building measures towards denuclearization. Furthermore, as Track Two processes are less formal, they can be used to test the feasibility of denuclearization and normalization before Track One processes, which are substantially more costly, are initiated. Engagement with the Council of Security Cooperation in the Asia Pacific (CSCAP) level, which already includes representatives from ASEAN, the United States and North Korea in its member committees.<sup>38</sup>

## Economic Engagements

There are not only incentives for AMS and North Korea to engage economically, but also some optimism that such initiatives may be successful. In his 2018 New Year speech, Kim Jong-un mentioned the fulfilment of the *byungjin* policy and an emphasis on developing North Korea's socialist economy.<sup>39</sup> It has been reported that since Kim Jong-un took power, the number of special economic zones (SEZs) grew from four in 2011 to around 27, with 11 located along the border with China.<sup>40</sup> Thus, there is potential for economic development, from which both AMS and North Korea will gain.

However, the possibility of ASEAN participating in North Korea's economy is affected by: (i) China; (ii) South Korea's political will; and (iii) the constraints imposed by UN sanctions.

Since the imposition of UN sanctions in 2016-2017, China has accounted for 95 percent of the merchandise trade with North Korea. This figure includes trade of permitted (that is, unsanctioned) products, as well as North Korea's imports from China.<sup>41</sup> As such, the development of at least half of the SEZs is said to be oriented towards China. Even the development of Mount Kumgang was targeted at attracting Chinese tourists.<sup>42</sup> Presently, North Korea may have little motivation to engage parties other than China because of China's status as a major power.

Since the announcement of the Sunshine Policy in 1998,<sup>43</sup> South Korea has surfaced strategies of engagement with North Korea. However, the momentum of such initiatives is subject to the South Korean leadership's position, future changes in leadership, as well as the tone of denuclearization negotiations. Thus, while President Moon Jae-in is presently politically willing to pursue economic engagement with North Korea, progress will be affected by conditions at the denuclearization talks and the position of the next South Korean President.

Finally, the sanctions regime constrains economic engagement with North Korea. In addition to UN instruments, the United States' maximum pressure campaign has such legislation as the Otto Warmbier North Korea Nuclear Sanctions and Enforcement Act of 2019, which is enforceable on third parties.<sup>44</sup>

The difficulties of engaging North Korea economically are illustrated in the ASEAN-Korea Free Trade Agreement (AKFTA), in which goods produced at the Kaesong Industrial Complex are subject to the same tariffs as South Korean goods. Launched in 2004, the Kaesong Industrial Complex was a project intended to increase economic cooperation between the two Koreas.<sup>45</sup> In early 2013, it was reported that around 123 South Korean companies and 50,000 North Koreans functioned from the facility.<sup>46</sup> Operations ceased in 2017. However, a 2018 Korea Federation of Small and Medium Businesses survey showed that 96 percent of the South Korean firms that operated in Kaesong wanted to return because of the low cost of labour.<sup>47</sup>

Practically, however, operations at the Kaesong Industrial Complex were suspended out of concern that the wages of North Korean workers at the Complex were being diverted towards North Korea's arsenal programme, a decision that apparently had been made without legal process.<sup>48</sup> In addition, tight export controls, especially on dual-use items, restricted the possible items that can be produced. The absence of a mechanism facilitating ASEAN's participation in Kaesong may also hamper a possible ASEAN, South Korea and North Korea way forward. The only notable linkage was when ASEAN agreed to South Korea's request to include 100 products made in Kaesong Industrial Park under the AKFTA.<sup>49</sup> For there to be economic engagement comparable to Kaesong, the engagement process has to be institutionalized to better develop the mechanisms for economic engagement.

## Conclusion

As a bloc of small to medium power states with no ambitions to project their power or to become a major power, ASEAN will not be suspected of steering an agenda to its favour. Moreover, the 10 AMS have different forms of government, ranging from an absolute monarchy to semi-democracies, and yet collaborate reasonably well. This should assure Pyongyang that ASEAN's involvement in the peace process is not a covert plan to impose a political ideology, particularly democratization, on North Korea. Thus, through meetings via its multilateral mechanisms, ASEAN can diffuse suspicions among the key stakeholders.

Realistically, ASEAN cannot take charge or sway any denuclearization or peace negotiations with North Korea as these are solely within the purview of the major powers. ASEAN's relationship with North Korea, however, means it can still play a complementary role, even though its involvement will be fraught with obstacles. At the Track One level, ASEAN can increase its diplomatic engagement and at the Track Two level, ASEAN can engage economically and also provide humanitarian assistance when required. Even if ASEAN's initiatives with North Korea end up being another 'talk shop', its engagement, in and of itself, will still be a step forward, however small the step is. The primary benefit of ASEAN's continued engagement may be to shift calculations and perspectives in the short to long term and, in so doing, contribute to the peace process on the Korean Peninsula.

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# ***Transforming Korean Peninsula's Insecurity through ASEAN's Involvement***

**Aries A. Arugay**



## **Introduction**

As a lingering security flashpoint in the Asia Pacific, the Korean Peninsula remains a priority for ASEAN because of its outward-looking perspective and comprehensive approach to development and security. Despite being an organization of 10 small states, ASEAN has grown steadily over the past 50 years and is recognized by its neighbours for its convening and agenda-setting abilities. For powers big, medium and small, ASEAN has made itself an attractive institutional mechanism for managing security challenges in the region. As a driving force of regional cooperation, ASEAN has become a non-threatening convener precisely because of its perceived credibility to act in concert as one community and its equidistance from the major powers.

One of the most successful external mechanisms ASEAN has developed over the years is the ASEAN Plus Three (APT) mechanism with China, Japan and the Republic of Korea (ROK, hereafter South Korea). At present, it can be said that it is difficult to undertake multilateralism in East Asia outside of this institutional framework.

Apart from this, ASEAN-ROK relations have progressed steadily and made robust gains since the 1989 establishment of a Dialogue Partnership. South Korea's accession to the Treaty of Amity and Cooperation (TAC) in 2004 was symbolic of its commitment to help the region's development and stability. Mutual interests and shared goals have propelled this dynamic relationship, as seen in the steady growth of trade, investment and people-to-people exchanges. The latest initiative by South Korea is its New Southern Policy (NSP), an assertive plan to further accelerate growth in its relationship with ASEAN.

All ASEAN Member States (AMS) continue to maintain diplomatic relations with the Democratic People's Republic of Korea (DPRK, hereafter North Korea) and some are engaged in trade with North Korea.<sup>1</sup> The Philippines was North Korea's fifth largest trading partner in June 2017 and the third largest by September 2017. Trade relations between the Philippines and North Korea were suspended in November 2017 under the Trump administration's 'maximum pressure' campaign. There were also Filipino workers employed in North Korea.<sup>2</sup> While ASEAN's relations with the two Koreas are not balanced, it is quite clear ASEAN has a significant stake in a peaceful and stable Korean Peninsula.

Yet ASEAN's role in the pursuit of peace on the Korean Peninsula has not been fully maximized. This is despite the fact that the possibility of outright conflict remains a top source of insecurity for AMS.

This chapter discusses the roles ASEAN can play in fostering peace on the Korean Peninsula, particularly in maximizing mutual gains and mitigating strategic uncertainties brought about by great power rivalry and other security threats. It makes three salient points. First, ASEAN is not a bystander or spectator, but an able, credible and engaged stakeholder in developments with South and North Korea. ASEAN's vital strategic interests are inexorably tied to the outcomes of the intra-Korean relationship as well as the success of South Korea's NSP. Second, as a partnership of a middle power and 10 small powers, ASEAN-ROK relations are frequently affected by factors beyond the partnership's control, such as the intensifying great power rivalry in the Asia Pacific as well as critical security issues that are non-traditional in nature. This makes mutual realization of the NSP goals and ASEAN's Vision 2025 critical in fostering peace and stability on the Peninsula. Finally, this chapter pushes for an innovative approach to take ASEAN-ROK relations to the next level. This calls for the adoption of a whole-

of-society perspective where governments not only act as stewards who steer the relationship, but also inspire and encourage non-state actors – such as civil society, the private sector and other societal groups – to engage in inclusive and overlapping networks on engagement.

## ASEAN as a stakeholder

As an entity, ASEAN has not played a prominent role in securing peace on the Korean Peninsula despite the fact that this flashpoint will have far-reaching repercussions for the region. This is partly due to challenges within ASEAN. Its penchant for informal practices and soft institution-building may have worked for its first 50 years, but many have predicted that these practices will be untenable in the future. Continued lip service to commitments and failure to act decisively and swiftly have become staple criticisms against the organization.<sup>3</sup>

Several ASEAN initiatives exist only in name, not in substance or implementation. This ineffectiveness has frequently been observed in a host of transnational issues and domestic crises with regional ramifications. To be a credible and serious stakeholder in the Korean conflict, ASEAN needs to strengthen its institutional mechanisms.

The 2012 incident when ASEAN was unable to produce a joint statement was a clear sign of an emerging divide.<sup>4</sup> External powers took notice, with some more willing and able to take advantage of these differences to the detriment of ASEAN's collective interests. Unless ASEAN overcomes its multiple polarizing divisions, they will rip the organization apart at its seams, letting national interests and bilateral strategies define the relations of its member states with one another, as well as with other countries in the region. In this state, national and regional resilience will cease to overlap and Southeast Asia will become an arena where the major powers totally define the rules of engagement. This will disable ASEAN from becoming a stakeholder in the pursuit of peace on the Korean Peninsula; hence ASEAN needs to put its own house in order.

As a credible stakeholder in developments on the Korean Peninsula, ASEAN will have to fulfil two roles. The first is to pursue continuous engagement with both North and South Korea, while always choosing the cause of peace on the Peninsula. This remains consistent with the historical role AMS has played on the Peninsula. During the Korean

War, the Philippines and Thailand participated in the United Nations Command to defend South Korea's sovereignty. However, this has not impeded both countries' from establishing diplomatic and trade relations with North Korea (Thailand since 1975; the Philippines since 2000). In the post-Korean War period, South Korea experienced considerable poverty and destruction of its infrastructure, prompting some AMS to help South Korea with infrastructure development and economic aid. ASEAN's stake in the two Koreas is not simply a by-product of geopolitical calculation, geographical proximity and/or mutual economic interests. The historical role played by ASEAN and its member states on the Korean Peninsula is significant as well.

As a viable stakeholder, ASEAN also needs to respond clearly to South Korea's NSP, a clear and well-thought plan to engage Southeast Asia. While ASEAN has a counterpart in its Vision 2025 and the blueprints from its three communities – political-security, economic and socio-cultural – ASEAN has not clearly responded as to how it would work with South Korea achieve its NSP goals. What may be required is a counterpart in the guise of an ASEAN 'northern policy'.

## Sources of insecurity

For ASEAN to realize a prominent role in fostering peace on the Korean Peninsula, it first has to mitigate the uncertainties that stem from the ongoing major power strategic competition in the Asia Pacific. This region has become the main theatre for the current competition between the United States and China, brought about by the rise of China and the perceived decline of the United States' security commitments in the region.

China's increasing economic clout has given it unprecedented strategic confidence to challenge the existing global rules-based order governed by rules and norms propped by the United States. China's revisionist stance, despite its promised peaceful rise, became evident first in its immediate borders – such as the South China Sea and the East China Sea – and eventually in every part of the world. China's rise is also palpable in its increasing influence in multilateral institutions, international regimes and other elements of the international order. The launch of the Belt and Road Initiative (BRI), Asian Infrastructure and Investment Bank (AIIB) and Boao World Forum indicates China's assertiveness as a current global superpower.<sup>5</sup>

The commitment of the United States, however, has been diminishing in the region. In the aftermath of its Global War on Terror, the United States was supposed to return its attention to the region in the guise of Obama's pivot/rebalance to Asia. The pivot to Asia did not happen and the United States failed to bolster its commitment to regional security. Trump's victory in the 2016 election cycle can be partly attributed to the maverick candidate's use of the United States' (failed) multilateralism, such as the Trans-Pacific Partnership (TPP) and its security alliances with Japan and South Korea, as a foil to reorient the United States to what was supposed to be a more strategic Asia policy.<sup>6</sup>

ASEAN, as a whole, has been thrown into the middle of this superpower rivalry and has chosen to adopt silent equidistance from the United States and China. The positioning of AMS, however, is a totally different matter.

Next, ASEAN and the individual AMS should consider how they conduct foreign policy. For ASEAN to contribute to peace on the Korean Peninsula, it must develop policies in dealing with both North and South Korea, which individual AMS must be guided by.

In recent years, some ASEAN member states have changed their foreign policies abruptly. This cannot be countenanced if ASEAN is to become a responsible stakeholder in the peace process. A case in point is the Philippines. Given its geostrategic location and historical dealings with major powers, the Philippines was thrown into the middle of this benign turned intense US-China rivalry that started after the Scarborough Shoal incident in 2012. The Aquino administration (2010-2016) decided to launch a landmark arbitral case against China in the Southeast China Sea dispute. The United States attempted to strengthen its military alliance with the Philippines with such initiatives as the Enhanced Defense Cooperation Agreement (EDCA). Other states, such as Japan and Australia, followed suit by forging strategic partnerships with the Philippines.<sup>7</sup>

After the 2016 Philippine presidential elections, the Philippines reoriented its strategies. At the beginning of Duterte's presidency, his anti-US rhetoric and generous appreciation of China and other powers such as Japan and Russia captured international attention. Although Duterte was a phenomenon in the Philippines, he did not have much political standing abroad until he expressed a desire to embrace China, while rejecting the Philippines's long-time ally, the United States. The Philippines, an often-neglected

country, was instantly pushed into the limelight, given its new leader's musings, usually in the form of highly emotional rants.<sup>8</sup>

Many did not expect that Duterte would cause a political shockwave with the Philippines' once predictable foreign policy, especially since he did not view himself as a statesman. During his 2016 campaign, Duterte did not issue any major foreign policy position. Though Duterte made acerbic remarks about the United States, the Catholic Pope and the West, many regarded his statements within the ambit of electoral campaigning. There were serendipitous events which contributed to the political shockwave. The Philippines v. China (PCA Case No. 2013-19) ruling gave the Philippines a legal victory in the case it had filed against China over territorial and maritime disputes in the South China Sea. In addition, the Philippines was ASEAN Chair on the occasion of ASEAN's 50th anniversary. These events provided Duterte with the opportunities to project his extreme and unorthodox viewpoints about international relations. Duterte also had ample opportunities to articulate Philippine foreign policy in international fora and during state visits.<sup>9</sup>

The case of the Philippines under President Duterte is a challenge when the AMS have to act in concert when dealing with such Dialogue Partners as South Korea. While divergence from a consistent policy serves the interests of domestic constituencies and the political bases of such leaders as Duterte, this has substantial implications on how ASEAN as a body conducts its relations with external powers. In the end, 'adventures' in foreign policy can disrupt prior commitments to strengthen relationships and pursue mutually shared goals.

## A whole-of-society approach

An innovative approach to enhance ASEAN-ROK relations is to transcend its primarily inter-governmental character, which is necessary in some contexts. Maintaining this orientation, however, will jeopardize the accomplishment of NSP goals as well as ASEAN Vision 2025. We should consider expanding ASEAN-ROK relations to include non-state actors.

An often unappreciated facet of ASEAN integration is the regional connections ASEAN has formed within and across the political, economic and socio-cultural spheres of collective life. ASEAN has developed to the point that it is larger than the

sum of its 10 member states. A burgeoning regional civil society, assertive of its role in representing the peoples of ASEAN and advocating their issues, is beginning to establish itself in the region.

ASEAN's engagement with civil society can be traced to its exploratory linkages with business and think tanks through the ASEAN Institutes for Strategic and International Studies (ASEAN-ISIS).<sup>10</sup> While these entities are considered elite non-governmental actors, it is only in the early part of the 20th century that civil society composed of community-based organizations, non-governmental organizations (NGOs), social movements of women, children, migrant workers and others began to emerge. The term 'civil society' in ASEAN – using the 2006 guidelines on the engagement of civil society – refers to non-profit associations of ASEAN persons, natural or juridical, organized to promote, strengthen and realize the aims and objectives of ASEAN cooperation in the political, economic, social, cultural, scientific, medical and technological fields.

In 2005, the ASEAN Civil Society Conference (ACSC)/ASEAN Peoples' Forum (APF) was established. Initially organized as a parallel event to the 11th ASEAN Summit in December 2005, the ACSC helped civil society organizations (CSOs) come together and present their positions on various issues and, more importantly, interface with ASEAN during its annual summit. The ACSC/APF undoubtedly is the face of civil society in the region.<sup>11</sup>

Business and economic actors also have significant influence and resources. Other groups, such as parliamentarians, judges, bureaucrats, military officials and civil servants, are all being interlinked through the ASEAN project. While heads of states and the ASEAN Secretariat are the organization's visible manifestations, they now share the stage with this panoply of actors with their own interests, advocacies and linkages with external entities.

South Korea has one of the most vibrant civil societies in the region,<sup>12</sup> which served a critical role in South Korea's transition from authoritarian rule and has also become a bulwark for South Korea's democratic consolidation. ASEAN-ROK relations can benefit from an inter-civil society dialogue between Korean NGOs and social movements with the members of ACSC and APF. This can start off as a Track Three initiative, with guidance possibly from such Track Two organizations as think tanks and policy research organizations. In the long-run, an interface among the three tracks of diplomacy –



governments, think tanks, NGOs and the business sector – of ASEAN and South Korea can help mitigate the uncertainties and secure the mutual gains of a further enhanced relationship.

A tricky, but potentially fruitful, engagement between ASEAN and South Korea is in the area of human rights. Civil society in ASEAN has been very active in advocating for better governance in the region, which includes the advocacy for political change in Myanmar, the launch of the ASEAN People's Charter, the call for the implementation of the UN Declaration on the Rights of Indigenous Peoples, and many others. As an issue, human rights have been advocated by the Informal Working Group for an ASEAN Human Rights Mechanism since the 1990s. The idea of a regional human rights body triggered more extensive engagements with CSOs and AMS. However, this is fraught with challenges, given the sensitive nature of human rights as an issue.<sup>13</sup> Exporting this as a pillar of ASEAN-ROK relations would also be very difficult.

ASEAN's engagement with North Korea stands to benefit from this whole-of-society approach. Given the totalitarian nature of the North Korean regime, a dialogue between the CSOs in ASEAN and North Korea could possibly be one conduit of maintaining relations without fostering hostility. This can be a potential confidence-building mechanism, which has been done by other international organizations and countries.<sup>14</sup>

Finally, South Korea has many valuable lessons to share in terms of capacitating civil societies and improving democratic governance through strengthening state-civil society relations. ASEAN governments, considering their deficits in democracy and human rights, can learn from the South Korean experience. South Korea has provided its civil society with a lot of space in its democracy as well as generated significant gains in people empowerment and institution-building. While ASEAN can benefit significantly from South Korea's robust economy and bullish trade and investment overtures, the AMS can also equally benefit from one of the elements of South Korea's soft power – a consolidated democracy at work.<sup>15</sup>

South Korea should customize its approach with ASEAN countries and how its civil society can engage its counterparts in the region. How developed civil societies are in the ASEAN countries varies. The more democratic countries have larger and more robust civil societies. In ASEAN countries that have less democratic space for civil society, South Korea needs to be more sensitive when bridging conversations among CSOs.

## Conclusion

This chapter discusses how ASEAN can meaningfully engage the pursuit of peace on the Korean Peninsula. Its approach must incorporate three essential elements: sustainability, consistency and inclusivity. First, to contribute to the progress already made in the two Koreas, ASEAN must fully embrace its stakeholder role. This requires no less than sustained engagement and a strategic approach to engage both North and South Korea. In terms of North Korea, ASEAN's economic relations need to be sustained as well as gradually expanding to other types of relations. As far as South Korea is concerned, ASEAN needs to respond to the NSP, albeit informally, through a sustained plan of action. This entails seeking common ground between the NSP and ASEAN Vision 2025.

Second, ASEAN and AMS need to be consistent in their policies. The challenge is to reduce the impact of geopolitical uncertainties and domestic developments that would distract ASEAN from its commitments to the Korean peace process. South Korea, on the other hand, needs to customize its engagement with ASEAN and recognize its many divides. South Korea needs to find common ground within ASEAN countries, taking into consideration their nuances and specific interests. By formulating converging interests and a framework of cooperation through the New Southern Policy's Peace Pillar, both ASEAN and South Korea can begin a long-term internalization of an agreeable North Korea engagement strategy that will not be hijacked by great power rivalries and international sanctions regime on North Korea. This would require ASEAN-ROK cooperation on humanitarian relief and assistance aiming at improving the North Korean people's livelihood, while contributing to the inter-Korean peace process.

Third, ASEAN and South Korea should adopt a whole-of-society approach in order to elevate and enhance its relations. This more inclusive approach will prevent diminishing returns from the confidence built in the ASEAN-ROK partnership. While the possibility of CSOs playing a role in this approach will be uncomfortable for AMS with governments that do not treat their civil society sectors well, South Korea can nudge them towards trusting these CSOs as catalysts in promoting peace and prosperity in the region.

Finally, these three elements – sustainability, consistency and inclusivity – have to be implemented in an atmosphere of candour and sincerity. ASEAN and South Korea

need to be honest in what can be achieved over the next few years and work towards feasible rather than superficial targets. There is no substitute for authenticity in a partnership; ASEAN should be frank about what it can contribute to the two Koreas and vice-versa. At the end of the day, honesty will remain one of the best policies for ASEAN-ROK relations.

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## Endnotes

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## Comparative Advantages of ASEAN Civil Society: Peace Initiatives on the Korean Peninsula<sup>1</sup>

Bryan Tan & Choson Exchange

### Introduction

Since the 1980s, the Republic of Korea (hereafter ROK or South Korea) has been promoting peace initiatives on the Korean Peninsula. Perceptions of the Democratic People's Republic of Korea (hereafter DPRK or North Korea) changed significantly during the Kim Dae-jung and Roh Moo-hyun administrations (1998-2008). As public and policy perceptions of North Korea normalized, South Korean civil society organizations were further encouraged to engage North Korea to improve inter-Korean relations. American and European civil society organizations have also promoted engagement with North Korea, beginning in the 1990s with active educational and humanitarian exchanges. However, while Southeast Asian civil society organizations have also similarly engaged North Korea since the 1990s, not much is known about their engagement. This chapter will provide details about this involvement.

When the Moon Jae-in government launched the New Southern Policy (NSP) in 2017, there was ambiguity as to what the 'peace' pillar of the policy meant and how it was to be implemented. Southeast Asia's unique bilateral relations with the two Koreas, however, provide the groundwork for promoting peace initiatives and

economic engagement with North Korea. This chapter will first explain the comparative advantages of the Association of Southeast Asian Nations (ASEAN) and, in particular, two of its member states, Singapore and Vietnam, in engaging North Korea. It will then discuss how these advantages can be integrated with how the ROK engages North Korea. In particular, this chapter highlights how, by providing North Korean officials and people with technical training especially in the infrastructure sector, Southeast Asian non-governmental organizations (NGOs) can fulfil the significant role of capacity-building. This chapter will consider the experiences of Choson Exchange, a Singapore-based NGO, to illustrate the potential role of Southeast Asian NGOs in engaging North Korea.

## Comparative advantages: ASEAN, Singapore and Vietnam

### Why ASEAN?

For the past three decades, ASEAN Track One and Track Two mechanisms have been supporting the Korean Peninsula peace process. ASEAN, for example, hosts the ASEAN Regional Forum (ARF), a vital communication channel between North Korea and the rest of the world, the only multilateral forum that the DPRK participates in. ASEAN has vital geostrategic importance, as the bloc is a major growth pole and is located on important international sea lines. Currently, ASEAN is the third largest economy in Asia and the sixth largest globally. By 2030, it is projected that ASEAN will become the fourth largest economy in the world, after the United States, China and the European Union. ASEAN also maintains vital relations with all the major stakeholders on the Korean Peninsula. Five out of 10 ASEAN Member States (AMS) have embassies in the DPRK and have cooperated with North Korea in such functional areas as agricultural development and technology and scientific exchanges.

### Why Singapore?

Singapore's long-standing foreign policy is one of being 'friends with all sides' and taking no sides.<sup>2</sup> As Singapore's hosting of the historic US-North Korea Summit on 12 June 2018 demonstrated, a neutral Singapore can play the role of moderator, winning the trust of both the DPRK and the United States. As a founding member of ASEAN, Singapore has had a long history of active involvement in regional dialogues

promoting regional peace and stability. Singapore has always maintained a reputation of being a skilful, principled and credible diplomatic actor in complex geopolitical environments.

Within ASEAN, Singapore is not only a high-income country, but is also often viewed as an intellectual powerhouse. Singapore is home to some of the best universities and research institutions in the world. Its highly skilled workforce and well-educated population has the expertise required for the DPRK training programmes, while its cosmopolitan linkages exemplify how being a responsible member of the international community brings about economic development, peace and prosperity. Singapore has maintained cordial ties with North Korea. The DPRK Embassy in Singapore has also actively engaged Singaporean universities and think tanks, focusing on exchanges on Singapore's best practices in public sector services. As ASEAN Chair in 2018, Singapore also collaborated closely with South Korea on security issues. It has supported inter-Korean summits and the US-DPRK summit through its official statements.

## **Why Vietnam?**

Vietnam's history has many similarities with North Korea's. After the Second World War, both countries were divided, had traumatic experiences of savage civil wars and were engaged in wars, in the case of Vietnam, against France and the United States and, in the case of North Korea, a United Nations (UN)-led force. Both countries are also led by Communist Parties. While Vietnam and North Korea were close during the Cold War, the US-Vietnam reconciliation in the 1990s resulted in their partial estrangement. As a socialist country, Vietnam is in the unique strategic position of being middle ground between North Korea and the United States. The hosting of the second Kim-Trump summit by Hanoi on 26 February 2019 further indicates the trust that the DPRK has in Vietnam.

Economically, Vietnam's Đổi Mới reform is a model which the DPRK can emulate. Since the economic reforms began in 1986, Vietnam has enjoyed rapid economic growth and has been transformed from one of the world's poorest nations to a lower middle-income country. Vietnam has also embraced opening up to the world and today Vietnam is internationally very well connected, with numerous foreign enterprises investing in Vietnam, while Vietnamese students study in many of the best universities in the West. Over the last 30 years, the availability of basic services has improved

significantly and Vietnam is currently the second-best performing country in terms of Human Capital Index in ASEAN, behind Singapore. As Cho Bong-hyun, a specialist in the DPRK economy at IBK Bank in Seoul noted, Vietnam is an ideal model for North Korea as Vietnam has managed to retain one-party rule, while pursuing bold economic reforms and drawing in the outside world to drive economic growth.<sup>3</sup>

## **ASEAN, Singapore and Vietnam: A viable alternative to the major powers**

While Singapore is a city-state, it has always had an enviable reputation for ‘punching above its weight’. Vietnam is a growing ‘middle power’. ASEAN, in fact, consists of small and middle powers that share the common goal of not being dominated by major powers. In this sense, when compared to the major powers of China, Japan and the United States, ASEAN will be viewed as less threatening, less self-serving, less imbued with hegemonic designs, and more reassuring, to the DPRK leadership. ASEAN also has much less historical baggage and has not got itself entangled in the messy geopolitics of the Korean Peninsula.

Furthermore, the hedging position that ASEAN, Singapore and Vietnam have adopted vis-à-vis the United States and China is consistent with what North Korea hopes to achieve. The latter is heavily reliant on China for its economy and security and aims to reduce such reliance to a healthier level. At the same time, North Korea still views the United States and the European Union with much suspicion, despite the partial thawing of US-DPRK relations. Thus, ASEAN, Singapore and Vietnam are ideal partners that North Korea can trust. The close geographical proximity of ASEAN, Singapore and Vietnam to North Korea is not only an advantage; it also suggests that they can become viable partners in addition to China, as the DPRK seeks to diversify its partners of economic cooperation.

## **Why ASEAN’s civil society?**

Civil society organizations from the AMS, which have operated in North Korea, have gained some trust from the DPRK government. Their provision of humanitarian assistance began during the 1990s when North Korea had a famine crisis. MERCY Malaysia continued to provide medical assistance in areas affected by famine and diseases, when Doctors Without Borders (or Médecins Sans Frontières, MSF) was absent from 1996 to 2018 (MSF has been allowed to resume operation in the DPRK



since 2018). Active cultural and people-to-people exchanges are promoted through both governmental agencies, such as ministries or communication, agriculture, tourism, and semi-governmental/non-governmental bodies, for example, DPRK Friendship Associations and private groups in the arts and education sectors.

In this context, Choson Exchange stands out as one of the more experienced NGOs in terms of engaging North Korea. Choson Exchange is registered in Singapore, with the specific aim of integrating the DPRK peacefully into the international community. It is driven by a decentralized network of entrepreneurs and experts who are passionate about supporting entrepreneurship in North Korea. Choson Exchange is currently present in Singapore, Vietnam, Switzerland, London and the two Koreas.

Dispelling the myth that it is impossible to do business in North Korea, Choson Exchange supports entrepreneurs and business-minded individuals through its numerous well-designed programmes, workshops, internships, mentorships and scholarships inside and outside of the DPRK. Since 2010, Choson Exchange has worked with hundreds of foreign professionals, who have in turn trained thousands of North Koreans. North Koreans trained by Choson Exchange have since launched retail stores, started restaurants, founded cafes, and improved the marketing and production of existing enterprises.<sup>4</sup> Some of the programme and workshop alumni have contributed in such sectors as academia and scientific research.<sup>5</sup> Most recently, Choson program alumni are known to have been involved in the formulation of a new five-year economic development plan, to be unveiled by North Korean leader Kim Jong-un in early 2021.<sup>6</sup>

Hence, the impact of ASEAN NGOs' exchanges with the DPRK is not only confined to small-scale entrepreneurial or cultural programmes, but can also potentially impact North Korea's economic development, whether in unofficial economic activities or in national economic policy planning.

## **South Korea's peace and economic initiatives towards North Korea**

Past and present ROK governments have introduced various economic cooperation strategies in engaging North Korea. An understanding of these strategies will better illuminate the role ASEAN countries can play.



## Engaging North Korea: From Park Chung-hee to Moon Jae-in

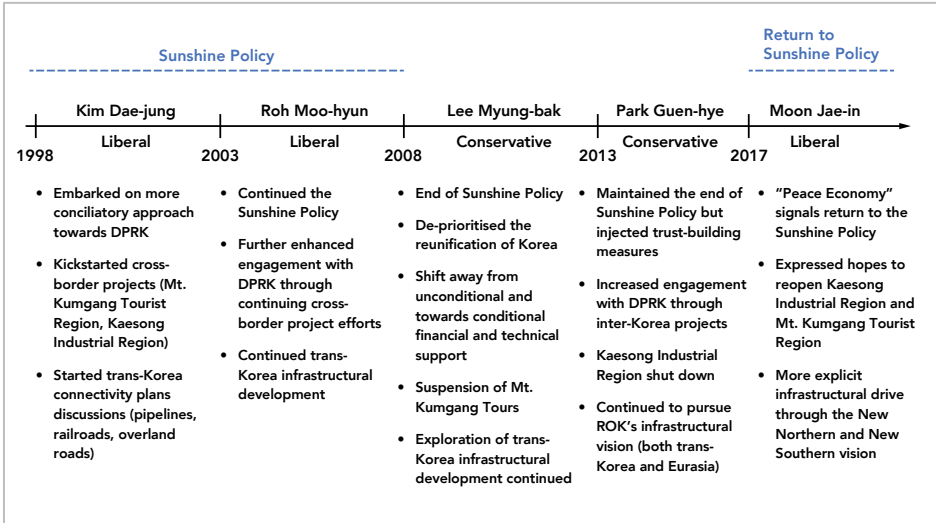
While unification of the two Koreas has been written into the constitutions of the ROK and the DPRK, for decades, improvement of inter-Korean relations has always been the more immediate and realistic policy goal. Since the Park Chung-hee administration established the Ministry of Unification in 1969, successive ROK governments have sought to pursue a North Korea policy that aims to reduce confrontations and promote inter-Korean cooperation. In the 1970s, the Ministry of Unification focused mainly on unification education. In 1980, it established a South-North Dialogue Secretariat that sought to enhance inter-Korean mutual understanding and formulate appropriate policies. In 1989, the policymaking functions were moved from the South-North Dialogue Secretariat to the Unification Policy Office.<sup>7</sup>

Under the Roh Tae-woo government, the inter-Korean dialogues and exchanges led to the signing of Agreement on Reconciliation, Non-aggression and Exchanges and Cooperation between South and North Korea. Known as the 'Inter-Korean Basic Agreement 1991', the two Koreas agreed to begin the reconciliation process by recognizing each other (both acceded to the UN in 1992), pledged not to use force against each other, and agreed to promote exchanges and cooperation through concrete measures.

Two significant agreements towards improvement of inter-Korean relations include the June 15th North-South Joint Declaration in 2000 under the Kim Dae-jung government. The Joint Declaration was reaffirmed by the Panmunjom Declaration for Peace, Prosperity and Unification of the Korean Peninsula in April 2018, issued during the Moon-Kim Summit. The Panmunjom Declaration was reaffirmed again in Pyongyang in the following Moon-Kim Summit in September 2018. Improvement of inter-Korean relations in 2018 was further substantiated by an inter-Korean military agreement, which pledged to turn the demilitarized zone (DMZ) into a peace zone.<sup>8</sup>

As of the end of 2019, the new and comprehensive peace agreement between the two Koreas have resulted in hundreds of meetings between North and South Korean officials.<sup>9</sup> Significant demilitarization steps were undertaken jointly by the two militaries along the DMZ. South Korea continues to search for human remains from the Korean War along the DMZ, though without North Korean participation (but not objected to by the North Korean authorities either).<sup>10</sup> Eventually, these efforts in security, diplomatic and military cooperation ideally will lead to the establishment of a durable peace regime on the Korean Peninsula.

FIGURE 1. Key economic engagement posture of South Korean administrations



Hence, regardless of whether a conservative or a liberal/progressive government is in power, the ROK has consistently pursued policies aiming at engaging and building trust with North Korea. Although complex geopolitical configurations have resulted in vacillation between a more conciliatory or a more hard-line policy posture towards the DPRK, economic and cultural engagement has always been pursued as a matter of policy, especially since the Kim Dae-jung administration. In addition, successive governments since Kim Dae-jung have also envisioned ambitious infrastructure connectivity projects linking the North and the South.

### Economic and cultural exchanges between the two Koreas

The Kim Dae-jung administration marked the beginning of economic engagement which has achieved breakthroughs in inter-Korea relations. The 'Comprehensive Package' offered under the Sunshine Policy was the very first economic outreach realized through inter-Korean peace dialogue. The first Summit Diplomacy with North Korea also materialized. The engagement policy also made possible the involvement of the private sector in engaging North Korea.

In 1998, the DPRK government and ROK's Hyundai initiated joint development of the Mount Kumgang Tourist region. In 2000, the same two stakeholders signed an agreement to develop the Kaesong Industrial Complex. These two projects remain

prominent symbols of inter-Korean reconciliation. The inter-Korean liaison office within the Kaesong Industrial Complex is deemed the *de facto* embassy for direct communication between ROK and DPRK governmental officials to discuss all matters pertaining to inter-Korean exchanges.<sup>11</sup>

The Roh administration continued and expanded the inter-Korea projects that began under Kim Dae-jung. Rebranding the Sunshine Policy as the Peace and Prosperity Policy, the ROK increased aid and financial assistance towards the DPRK. Overall, the number of tourists visiting Mount Kumgang and the amount of South Korea investments in the Kaesong Industrial Complex increased steadily under Roh government.

The following Lee Myung-bak and Park Geun-hye governments pursued North Korean engagement under Vision 3000 and *Trustpolitik* respectively. The former offered comprehensive packages in five sectors – economy, education, finance, infrastructure and welfare – to North Korea, including the development of DPRK companies to export goods, assistance in establishing five free trade areas, training of industrial workers and investment in international development fund. The latter emphasized practical projects on non-sensitive issues, such as repair and renovation of the Pyongyang-Kaesong Motorway and Kaesong-Sinuiju Railway, and the development of Imjin River flood prevention infrastructure. During Lee's administration, a group of South Korean bipartisan lawmakers also introduced a bill on 'unification tax' as a practical measure to prepare for future unification.<sup>12</sup> Although not initially welcomed by the South Korean public, especially among the young, the unification tax has since then gained widespread acceptance.

These initiatives, however, achieved little because of the tense atmosphere beginning in 2010 (the sinking of the *Cheonan* in March and the shelling of Yeonpyeong Island in November), uncertainties surrounding the changing DPRK leadership, the DPRK's provocative nuclear and missile tests, and the hostility of the DPRK towards conservative ROK administrations.

In 2017, Moon Jae-in was elected with a promise to return to the Sunshine Policy. Known as the 'Moon Jae-in Process', President Moon's policy contains 'Three Goals, Four Strategies and Five Principles'<sup>13</sup> and calls for the development of a Peace Economy between both Koreas. President Moon's conception of the Peace Economy was influenced by Kwon Goo-hoon, a former Goldman Sachs economist who was appointed

to lead the Presidential Committee on Northern Economic Cooperation in 2018.<sup>14</sup> Kwon once postulated that a unified Korea's gross domestic product (GDP) can exceed that of France, Germany and Japan within 30 to 40 years. The growth potential of the DPRK has to be fully utilized, along an integration model similar to the integration of China and Hong Kong.<sup>15</sup> Under President Moon, Kwon's main role is to execute the New Northern Policy (NNP) linking Russia, Mongolia and the countries of Central Asia by strengthening ties in various areas, such as transport, logistics, and energy, which is only possible through realizing trans-Korea infrastructure connectivity.<sup>16</sup>

To this end, the three Kim-Moon summits since 2018 have produced concrete agreements, not only on military de-escalation measures, but also on cross-border economic projects as well as joint projects on ecology, tourism and infrastructure. The Moon administration has signalled its desire to reopen and expand the Kaesong Industrial Region. In Oct 2018, South Korea resumed supplying water to the region, and restored the local water treatment plant.

The ROK envisions a single market on the Korean Peninsula. Three major economic cooperation projects with the North are currently being pursued. Firstly, South Korea hopes to establish an Energy and Resource Belt along the east coast of the peninsula. This belt would also be connected to China and Russia, where the industry-logistics and distribution-transportation belt would gain access to the large Chinese market, while the energy-resource belt would be linked to Russia for cheaper energy. Secondly, South Korea hopes to establish an Economic Cooperation Belt along the west coast. This would effectively link the Seoul metropolitan area, Kaesong Industrial Complex, Pyongyang-Nampo region and Sinuiju City. Thirdly, South Korea hopes to establish a Tourism Belt to connect Mount Kumgang (DPRK), Mount Seorak (ROK, just beneath Mount Kumgang), Wonsan City (DPRK) and Mount Paektu (DPRK), while developing the DMZ as a tourism district (see Figure 2). These three belts collectively are also known as the H-Belt.

**FIGURE 2.** Moon Jae-in government's economic vision for the Korean Peninsula



Source: Ministry of Unification, ROK, via Nikkei Asian Review.<sup>17</sup>

Hence the Peace Economy vision of the Moon government features strong infrastructure connectivity. The vision is also driven by the need to diversify South Korea's economy through enhancing trade with both its northern and southern neighbours (Russia, Southeast Asia). Infrastructure investment itself is also an economic driver that can power economic growth in the neighbouring regions. The multilateral engagements of the NNP and NSP serve such policy goals.

### Trans-Korea infrastructural connectivity

As the world's third largest importer of liquified natural gas (LNG), South Korea hopes to increase access to cheaper energy and diversify its import sources. Owing to the geography of the Korean Peninsula, the most cost-effective way to construct the relevant infrastructure (e.g., gas pipelines, railroads) is to cut through the DPRK to reach the ROK. As such, the success of trans-Korean infrastructure projects is highly dependent on the political climate of the Korean Peninsula.

Cooperation with China and Russia is crucial. The '9-Bridge Strategy' aims to expand South Korea's and Russia's joint infrastructure, ports, railways, natural gas pipelines, arctic shipping lanes and electrical grids. However, direct offshore infrastructure from Russia to South Korea is prohibitively expensive. Thus, attempts have been made again to negotiate with North Korea to run the infrastructure through the Korean

Peninsula. For instance, the ROK has proposed an East Asia railroad link, which aims to integrate the DPRK, China, Mongolia and Russia.

Inter-Korean infrastructure connectivity has had a long history. During the Kim Dae-jung administration, overland routes linking the two Koreas on both the peninsula's eastern and western sections were opened and subsequently completed in November 2004. In addition, the two Koreas agreed to conduct a joint feasibility plan of a trans-Korea pipeline project that would connect the ROK, through the DPRK, to the Kovykta natural gas deposit in Eastern Siberia. Under the Roh administration, a new highway and a new freight train service were built to connect with the Kaesong Industrial Economic Zone. In 2004, the Tonghae (East Coast) Line involving a railway and a parallel road was constructed between Jeojin (DPRK) and Ongjin (ROK).<sup>18</sup> Based on prior agreements with the ROK, the DPRK also built several cross-border railways and roads to reconnect the Gyeongui and Tonghae lines. The reconnection of the Gyeongui Road made it possible for firms to transport materials using overland transport from South Korea to the Kaesong Industrial Complex. Meanwhile, the Tonghae Road enabled South Korean tourists to visit Mount Kumgang in a less costly and time-consuming way, compared to travelling by sea.<sup>19</sup>

The Park Geun-hye administration envisioned large-scale ROK-DPRK connectivity plans via the Eurasia Initiative. It proposed to link energy and logistic infrastructure, which includes the rail networks, oil and gas pipelines, and electricity grids across Europe and Asia. The trans-Korean rail, if completed, would link ROK rail network via the Kaesong-Sinuiju Rail Line to the Eurasian Land Bridge to reach major European cities, thus slashing export costs to Europe by over 30 percent. Russia has also completed a port in Rajin that would allow both the DPRK and the ROK access to the Trans-Siberian Railway. A Russia-ROK agreement allowed South Korean companies to participate in the construction of railways, ports and harbours associated with the Khasan-Rajin railway project. However, subsequent geopolitical issues put a stop to the implementation of the grand vision and resulted in the shutting down of the Kaesong Industrial Region.

Under the Moon Jae-in administration, concrete steps have been taken to revive the construction of railways and roads on both the east and west coasts of the peninsula, which include an on-site survey of railways in North Korea that was completed in December 2018 (see Figure 3).

FIGURE 3. Joint survey of inter-Korean railways



Source: Adapted from dongA.com.<sup>20</sup>

According to a 2013 study by the Korea Research Institute for Human Settlements (KRIHS), rebuilding North Korea’s transportation and energy infrastructure would cost US\$63.1 billion, where a total of 28 railways, 33 roads, 6 airports, 11 seaports, 16 power plants, 4 mines, 2 oil refineries and 1 gas pipeline could be built.<sup>21</sup> In order to fund these infrastructural projects, the ROK has committed to spending ₩13.2 trillion (US\$16 billion) in border areas with the DPRK for the next decade, and to fund 225 inter-Korean border area projects by 2030.<sup>22</sup> In 2019, ₩295.1 billion (US\$263 million) was allotted to the connection and modernization of rail and road.<sup>23</sup> In 2020,

the Inter-Korean Cooperation Fund budget for infrastructure construction would rise from ₩428.9 billion (US\$353 million) in 2019 to ₩489 billion (US\$403 million).<sup>24</sup> Specifically, ₩25 billion (US\$20.6 million) would be allocated to border projects, such as transforming the estuary of the Han River and the DMZ into a peace zone.<sup>25</sup>

Moon's Peace Economy vision is ambitious, the full realization of which will radically transform the geo-economic and geopolitical scene in Northeast Asia. It would lead to the strategic opening of the DPRK and ensure its smooth integration with the international community, while serving the long-term strategic goals of both Koreas to maintain their strategic autonomy and become less dependent or affected by their powerful neighbours and major powers. To this end, the institutionalization of a bipartisan, long-term, strategically committed North Korea engagement policy by the ROK, achieved through dialogue and establishing a middle ground between conservative and progressive governments, will serve the national interests of South Korea for generations to come. But many challenges accompany the implementation of the Peace Economy vision. International and geopolitical environments can easily present obstacles. A patient, long-term, sustainable engagement policy will, therefore, require partnerships and support. This is where ASEAN and its NGOs can play a role.

## Moving forward: Capacity-building programmes by ASEAN NGOs

In the past two years, the Moon administration has commissioned numerous research projects focusing on future areas of inter-Korea cooperation, such as legislation improvement, urban planning, infrastructure development, tourism and North Korea's public diplomacy.

ASEAN is well positioned to play a role in all these areas. For example, ASEAN is currently also experiencing an infrastructure development bloom, encouraged by Chinese, Japanese and also Korean investments. Infrastructure development serves as a driver of economic growth and also forms the basis for future sustainable growth. Foreign investors and partners in the infrastructure sector, such as those from South Korea, are crucial in terms of providing technology transfer and capacity-building. As AMS absorb the technologies, project management skills and capabilities from foreign partners, they in turn can share such expertise with North Korea in the future, in areas ranging from urban development to infrastructure connectivity.



Urban development is the next promising sector for potential ASEAN-DPRK partners to work on, as several Southeast Asian cities have sister city status with several North Korean cities. Urban development is strongly related to infrastructure development. A study cited an absence of suburban development as unique to North Korea because of the characteristics of its domestic administration systems and the lack of effective transport systems between its cities and their outskirts.<sup>26</sup> In this sense, investment in infrastructure development should not only focus on the inter-Korea and trans-Continental projects, but also on the domestic infrastructure within the DPRK. ASEAN and its member states can be viable partners with North Korea in these endeavours.

ASEAN-based civil society organizations can play a complementary or even a leading role in enhancing ASEAN-DPRK cooperation. ASEAN-based NGOs can bridge the relevant technical gaps, drawing on the experiences of Southeast Asian governments and civil society organizations' efforts in the DPRK. Three areas where ASEAN-based NGOs can initiate capacity-building programmes are infrastructure development, legislation and urban development. Capacity-building in these three areas is interlinked and, if streamlined successfully, presents a valuable contribution to the Peace Economy on the Korean Peninsula. By focusing on both top-down and bottom-up approaches to shape the overall economic and business environment in the DPRK, Choson Exchange's capacity-building programmes, especially on entrepreneurial development, provide useful lessons for other NGOs interested in working with North Korea.

## **Infrastructure development**

The importance of infrastructure development is exemplified by China's and Vietnam's experience with upgrading the railway line between Yunnan and Hanoi. Through the Belt and Road Initiative (BRI), China and Vietnam aim to update the rail line, built by the French in the 1900s, from Hanoi through Lao Cai to Kunming in Yunnan Province. Updating an existing rail line, rather than building a new one, is cheaper and saves time. Hence the fact that this project is taking place, despite tensions in bilateral relations over such security issues as the South China Sea dispute, is encouraging. Similarly, despite geopolitical tensions on the Korean Peninsula, standardization of rail gauge is required between North-South Korea, DPRK-China, and the DPRK-Russia connectivity projects. As most of the main trans-Korea rail lines will be passing through North Korea, this is an area of technical support urgently required by North Koreans.

Other technical know-hows required include implementing new technologies, optimizing financial strategy for project evaluation, project organizational arrangements, and planning for adequate water and energy resources to be supplied to the infrastructure projects. Subsequent suburbanization along the transportation line will involve technical aspects of urban development.<sup>27</sup>

Inter-Korean infrastructure development along the DMZ (the horizontal line of the H-Belt) will have to be balanced with environmental conservation efforts as the DMZ has become one of the most precious biodiversity areas in the world, as its flora and fauna are endemic.<sup>28</sup> Thus, investors and stakeholders will also need to train their North Korean counterparts in impact assessment and environmental feasibility studies. Joint research between DPRK researchers and subject matter experts from other countries can establish the practices that comply with sustainable development.

## **Legislation improvement**

Deficiencies in the DPRK's legal system have often been cited as major obstacles to boosting foreign investments in North Korea. Thus, capacity-building programmes should be introduced to propose areas of DPRK legislation that can be modified and improved to attract foreign investment. This will greatly enhance risk mitigation for foreign investors, foster accountable cooperation and governance practices within North Korea that will support long-term planning, and enable the DPRK public sector to interact with international public and private stakeholders.

Drawing from Vietnam's Đổi Mới reform experience, legal expertise training can be extended to DPRK officials to develop the public-private partnership sanctioned by law under North Korea's socialist system. 'Capitalism from Below', the post-socialist economy model adopted by China and Vietnam, can be adapted to suit North Korea.<sup>29</sup> As the economic developmental model emerging from the DPRK is becoming increasingly favourable for foreign investment, a financial system needs to be established in North Korea to ensure that both the foreign investors and the DPRK state are accountable for 'the movement of money', as explained by lecturers from the Faculty of Finance from Kim Il Sung University.<sup>30</sup> In addition to Vietnam, Singapore's public sector funding structure should also be studied, especially in terms of financing climate resilient infrastructure, green technology and the setting up of a state-controlled financial institution to monitor the different stages of development and to profile the associated risks.

## Urban development

Moon's government has paid particular attention to urban development in North Korea. The South Korean government think tank, the Korea Institute for National Unification (KINU), aims to 'collect information on various aspects of the cities and build an open database for South Korean policymakers, researchers and citizens to help them facilitate exchanges with North Korean people'.<sup>31</sup> North Korean cities have different characteristics that can be developed to suit different types of joint development to serve the inter-Korean Peace Economy vision. For instance, cities near major tourist sites, such as Samjiyon, can be developed as cities catering to foreign tourists, with the construction of a new international airport, hotels and recreation sites. Socialist-style urban planning can be adapted for the new economic development zones, with new kinds of residential areas complemented by leisure areas. Micro-districts with localized market economy, such as small vendors, can be developed alongside the city centres.<sup>32</sup> A pattern of self-sustainable (*juche*) local ecosystems will emerge, giving rise to the emergence of what Yim has termed an 'incremental growth model' that is suitable for a socialist society.<sup>33</sup> Meanwhile, cities bordering China, such as Sinuiju, will exemplify a new socio-economic development paradigm: modernized public transport systems with vibrant economic exchanges with the outside world. These cities will incorporate the capitalist notion of production-consumption, while maintaining the existing characteristics of a socialist city.<sup>34</sup>

Much of what has been learnt from Vietnam's incremental developmental model and Southeast Asian industrial park models are applicable to North Korea's urban development and governance. Thus far, the international private sector is allowed to invest only in the DPRK special economic zone (SEZ), such as the Rason and Sinuiju SEZ. In addition to Kaesong Industrial Park, most of the economic zones that receive major foreign investment are in the border regions. Very few foreign NGOs have experiences in working with the local and state governments. In order to enable the local county and state governments to work with international financial and developmental institutions, training is required to develop capabilities in communication between DPRK officials and stakeholders, inter-city peer-to-peer learning, and urban management.

## Choson Exchange's experiences

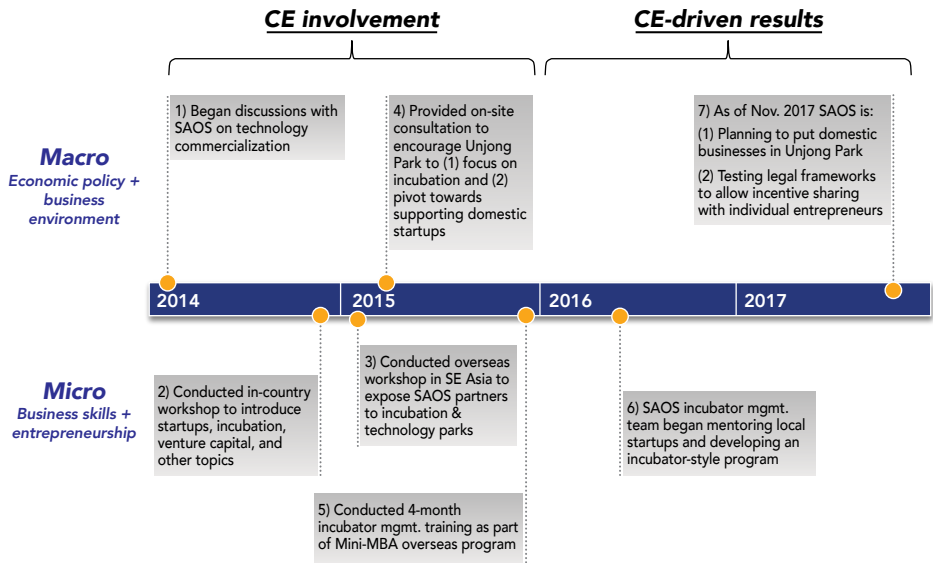
Choson Exchange began exploring the possibilities of building an entrepreneurship ecosystem in North Korea as early as 2014. After a series of workshops on SEZ

development, Choson Exchange conducted a feasibility study on establishing microfinancing facilities to support and grow small enterprises in North Korea. The feedback from the workshop was encouraging, indicating there are 'no fundamental obstacles to establishing a lending institution in the DPRK'.<sup>35</sup> However, a regulatory framework and structure must be set up by DPRK governmental agencies.

Unjong Park SEZ was selected as the key site for Choson Exchange's programme because of the availability of infrastructure, proximity to Pyongyang, stable management and a commitment to innovation.<sup>36</sup> It sits on the border of the capital and Pyongsong city, making it a great pilot site for suburbanization development. The Unjong SEZ managers were keen to learn from Choson Exchange workshops on the issues of rents, fiscal incentives, management structure, laws and regulations, and the building of research and industry linkages.<sup>37</sup> In many workshops, North Korean participants also pointed to the constraints and difficulties they faced, such as the lack of legislature to protect foreign investment and international sanctions. Since international financing has been a problem, Choson Exchange helped the participants to promote local goods and services for local markets.

The assistance provided by Choson Exchange to programme participants on technology commercialization and incubation has resulted in active startup mentorships in an incubator-style programme. The Unjong Park SEZ began commercializing technology and establishing themselves as a regional research hub in the same year. Choson Exchange designed a three-month Master of Business Administration (MBA) programme for the North Korean participants and brought them to Singapore and Malaysia to attend Startup Festivals, such as the Malaysian Global Innovation and Creativity Centre (MaGIC), the Malaysian startup incubator, which was launched in 2015. By 2017, the North Korean participants from Pyongsong were showcasing their business ideas in the Pyongsong Startup Bootcamp, building prototypes and bringing products to market. By 2019, Choson Exchange was monitoring 70 startups in progress, with 12 working prototypes and several products having gone to market.<sup>38</sup> The progress of Choson Exchange's involvement with Unjong Park can be summarized as such:

**FIGURE 4.** The progress of Choson Exchange’s impact on Unjong Park, 2014-2017



Source: Choson Exchange.

The progress demonstrated by the incubator management team and our North Korean partners and participants are promising steps towards a thriving entrepreneurial ecosystem.<sup>39</sup>

## Conclusion

This chapter focuses on the role of ASEAN and ASEAN-based NGOs in promoting inter-Korean cooperation, especially under the Peace Economy vision of the Moon government. Successive ROK governments have consistently pursued engagement policies and such long-term commitment will be rendered more sustainable with partnership provided by ASEAN and its NGOs. As a neutral geopolitical bloc, ASEAN and specific ASEAN countries, such as Singapore and Vietnam, given their successful developmental experiences, are particularly well placed to partner with South Korea in engaging the DPRK.

ASEAN NGOs are well placed to provide capacity-building in sectors that are important to the long-term economic health of North Korea, for example, infrastructure

development. The training initiatives designed by Choson Exchange have provided valuable lessons in how to engage North Korean policymakers and people. Both governmental and non-governmental organizations from ASEAN have much to offer the DPRK government. The Three Pillars of the NSP – People, Prosperity and Peace – which are inter-connected and mutually reinforcing can be applied to the engagement with and reaching out to North Korea. Indeed, ASEAN is the ideal partner for the ROK for this endeavour.

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### Endnotes

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# Conclusion

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Hoo Chiew Ping

‘Tenuous beginnings, vigorous developments’ was how David I. Steinberg described the ASEAN-ROK partnership in his book commemorating the 20th year of the partnership.<sup>1</sup> In the 10 years that followed, ASEAN-Korea cooperation has indeed been developing at a rapid pace with multi-directional impact. The ASEAN-ROK partnership has been able to match that of the ASEAN-China and ASEAN-Japan partnerships. Both the Association of Southeast Asian Nations (ASEAN) and the Republic of Korea (ROK, hereafter South Korea) have found strength in regional integration and multilateral cooperation via ASEAN-led platforms. The multifaceted ASEAN-ROK relations have been transformed. They have fostered bilateral and multilateral nexuses of cooperation that used their strengths to the best advantage, reduced developmental and policy gaps, and developed stronger connectivity.

To conclude this volume, I will first assess the geopolitical rupture over the past decades that has culminated in the closer ASEAN-ROK partnership today. Next, I will summarize our contributors’ main points by highlighting the three major niche areas of cooperation. Finally, I propose a three-stage guideline for the future implementation of the New Southern Policy (NSP).

## Geopolitical background

The first Commemorative Summit did not happen until 2009 during the 20th Anniversary of the Dialogue Partnership. The catalyst for closer ASEAN-ROK partnership was the 1997-98 Asian financial crisis. The Kim Dae-jung government supported Malaysian Prime Minister Mahathir Mohamed’s proposal for an East Asia Summit (EAS). The establishment of the East Asia Vision Group was instrumental in launching East Asian-wide regional integration. By 1999, ASEAN Plus Three (APT) met in Thailand and proposed the bilateral currency swap agreement, which would eventually become the Chiang Mai Initiative (CMI). South Korean think tanks reached out to their Southeast Asian counterparts with this backdrop. Such efforts further intensified in late 2000s. Meetings and conferences bringing academics, think tank members and government

officials from both sides were held to seriously assess the state of the ASEAN-ROK partnership. By then, Southeast Asian studies in South Korea had already grown. The Korean Institute of Southeast Asian Studies (KISEAS) had 300 members.

In 2019, at the commemoration of the 30th year of the Dialogue Partnership, relations between ASEAN and South Korea had matured further. The unveiling of the NSP in 2017 catalyzed the further strengthening of the ASEAN-ROK partnership as both sides had to navigate the geopolitical fault lines brought about by the intensifying major power rivalries in the era of the Indo-Pacific. In 2020, the world faced its most daunting public health crisis, the COVID-19 pandemic. An emergency APT meeting was among the first virtual meetings of regional leaders to coordinate a pandemic response, although the detailed recovery package would not be revealed until the ASEAN Summit later in the year. Much like how geopolitics, geo-economics and global governance cannot be separated from each other, the NSP's Three Pillars (3Ps) in the areas of People (socio-cultural), Prosperity (economy) and Peace (political-security) need to be converged rather than treated as separate spheres of affairs, as developments within one sphere would affect the others.

Through this volume, the convergence between ASEAN's and South Korea's geopolitical interests and the significance of the bilateral-multilateral nexus in their relations have become extremely clear. As ASEAN is located between the Indian and Pacific Oceans, its member states felt compelled to avoid being entrapped by the two major powers and their strategic plans: China (Belt and Road Initiative, BRI) and the United States (Indo-Pacific Strategy). In June 2019, ASEAN introduced the ASEAN Outlook on the Indo-Pacific (AOIP), to enforce an understanding of the Indo-Pacific as a connectivity concept open to all states in the region. ASEAN hoped its multilateral platforms, which already included the competing powers, would be able to harmonize the intensifying rivalry between the United States and China. By partnering more closely with ASEAN and supporting its position of neutrality, South Korea hoped to mitigate the risks and transcend its own narrow strategic space in Northeast Asia. Thus, both sides have acknowledged the significance of middle power cooperation in navigating the major power rivalries.

Various instruments of the ASEAN multilateral platform are further enhanced by the anchoring of bilateral niche area cooperation (e.g., the ASEAN-Korea maritime cooperation initiative will be anchored through Korea-Indonesia maritime safety

cooperation and ASEAN-Korea Standardization framework will be anchored upon Singapore-Korea standardization agreement) onto the ASEAN-ROK cooperative framework. This mutual reciprocity aims to produce elements that will have greater impact than the others, continue in the virtual cyclical process, and have long-lasting impact on regional cooperation and integration.

As Steven C.M. Wong raised in his chapter, ASEAN-ROK economic relations have been growing, but few have critically examined what the numbers mean and whether the economic partnership has been effective, with issues of equitable mutual access to their own markets and the sustainability of the seemingly one-sided ROK investments to Southeast Asian countries remaining unsettled. Researchers and scholars who have studied the issues related to trade and investment have concluded that these issues cannot be separated from the socio-cultural ones. Labour issues, such as Southeast Asian migrant workers in South Korea and local workers working for Korean corporations or factories in Southeast Asian countries, have given rise to a unique Korea-inspired labour movement in Southeast Asia, which led some Southeast Asian governments to improve their own corporate and civil society governance. Comparative studies on public sector governance in South Korea and ASEAN countries, for example, those led by Kim Pan Suk have also been conducted.<sup>2</sup>

On trade, investment and economic relations, some seemingly positive developments have turned out to be instances of political façade or the inadequate addressing of the issue of market access; South Korea is known for the stern protection of its domestic market. This is apparent when we compare Japan which has free trade agreements (FTAs) with all ASEAN Member States (AMS), while South Korea only has the ASEAN-Korea FTA, the FTA with Singapore in 2006, and the Comprehensive Economic Partnership Agreement (CEPA) with Indonesia, which was only signed in 2019. Certainly, despite the already promising ASEAN-ROK economic achievements, much more can and needs to be done.

As Lee Seong-hyon notes, we need to cultivate the next generation of people-to-people connectivity that will ensure the perpetuation of institutional memory. From my conversation with former ASEAN Secretary-General, Ambassador Ong Keng Yong, it was clear this has been a particular concern from ASEAN's perspective, as the Korean diplomats in charge of ASEAN or the Southeast Asian countries are rotated rapidly, which affects the continuity of ongoing discussions between ASEAN

and South Korea.<sup>3</sup> The ROK Mission to ASEAN is expected to ensure institutional continuity. Moreover, a stable leadership within the restructured Ministry of Foreign Affairs of the ROK with the setting up an ASEAN Bureau, that is separate from India and South Asia, will provide the strong policy commitment that ASEAN is looking for. Specialists on both sides (Korea specialists from ASEAN and the ASEAN specialists from Korea) and the multi-layered networks of policymakers, alumni, professionals, subject area experts across different spectrums, from technology to cultural and language, will maintain the people-to-people networks.

As we look forward to the release of the NSP implementation blueprint, NSP 2.0, we should consider which areas both parties should collaborate on and which principles should guide its implementation. To ensure both ASEAN and South Korea obtain maximum effect, the area should meet these two criteria: ASEAN needs the collaboration and South Korea has a comparative advantage in the area. The three key niche areas that meet these two criteria are middle power diplomacy, technological-based future-oriented economic cooperation, and infrastructure connectivity.

### Three niche areas

The first niche requires South Korea to synthesize its soft power outreach with middle power diplomacy. As highlighted by Frances A. Cruz, middle power activism has been a two-way synergy between ASEAN and South Korea, particularly in the areas of diplomacy, and cultural and development initiatives. In the Indo-Pacific context, the ASEAN-ROK partnership has been said to be a prime opportunity to build regional resilience amid strategic uncertainties. South Korea's somewhat distanced quasi-alignment with the Indo-Pacific initiatives (including its response to the United States' Indo-Pacific Strategy<sup>4</sup> and the Quadrilateral Security Dialogue (Quad) Plus through the extended Group of Seven) has been carefully crafted to focus on its omnidirectional foreign policy without being entrapped in an implicit or explicit confrontational stance with China. South Korea's position is similar to ASEAN's position that, where the Indo-Pacific initiatives are concerned, it would be a norm diffuser rather than side-taker.

This niche has materialized in the form of Korean participation in bilateral and multilateral initiatives, the latter of which includes the Regional Comprehensive Economic Partnership (RCEP), the Experts' Working Group (EWG) on Maritime Security

of the ASEAN Defence Ministers' Meeting Plus (ADMM-Plus), which is co-chaired by South Korea,<sup>5</sup> and the freshly minted Korea-Mekong summit level cooperation, which supports the existing Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS).

Maritime security constitutes an emerging niche area of cooperation between ASEAN and South Korea as many parties from Southeast Asia has expressed interest in establishing maritime cooperation with South Korea. However, so far, the maritime dimension has not been incorporated formally in the NSP. During the November 2019 ISIS Malaysia Forum on Korea in Kuala Lumpur, both ASEAN and Korean participants recognized the importance of the maritime domain.<sup>6</sup> Lee YingHui made an extremely strong argument for ASEAN-ROK maritime connectivity cooperation in this book. Her contribution is among the first which addresses the issue of ASEAN-ROK maritime capacity-building and port connectivity.<sup>7</sup> When the second Korea Foundation (KF) office in Southeast Asia was opened in Jakarta (the first was in Hanoi), one of its first projects was to study the potential of South Korea and Indonesia cooperating in the area of maritime safety.<sup>8</sup>

Indonesia and South Korea have spearheaded several 'first time' collaborations, including the first Korean defence industry cooperation<sup>9</sup> with a Southeast Asian country to build fighter jets and submarines. This nascent development has piqued Thailand's interest in fostering defence industry cooperation with South Korea. Malaysia and South Korea have begun a study to examine the feasibility of defence industry cooperation. These functional areas of cooperation will reinforce the status of AMS as 'partners' rather than 'recipients' in an asymmetrical donor-recipient relationship. At a Commemorative Summit Track Two meeting in Singapore, Professor Choe Wongi expressed the hope that ASEAN countries will elevate their status to that of countries in the advanced stages of development, just like what South Korea has achieved. Professor Choe's hope – a well-developed ASEAN will be an even stronger partner for South Korea – reinforces and strengthens middle power activism.

The second niche of technological-based future-oriented economic cooperation is especially relevant after the COVID-19 pandemic. Calls for further digitalizing the economy, human interactions and logistical networks are on the rise. The ASEAN Smart Cities Network (ASCN) is likely to be implemented in full force soon, as the

traditional model of relying on physical infrastructure has greatly limited all kinds of activities and movements. The ASCN's vision and plans are designed to allow all logistics and financial processes to be run with advanced digital technologies that will not be disrupted by such crises as a pandemic. Presently, peripheral locations in Southeast Asian countries are likely to be equipped with sufficient digital infrastructure, but face the challenges of having basic needs such as food delivered under national lockdown. Rapid digitalization will help these peripheral locations and metropolises alike. South Korea – a forerunner in financial technology (FinTech), digital technology and digitalized lifestyle – is a very important partner for ASEAN.

In her chapter, Farlina Said highlighted not only the appeal of South Korea's advanced and innovative technologies in digital infrastructure, but also how South Korean digital know-how can bridge ASEAN's technological gaps. Interestingly, cyberspace is an area where emerging norm-making process is taking place. This process covers technical aspects, such as the management of cyber incidents, cybersecurity cooperation, and technological standards and ethical applications, and also the competition and conflict in creating value and global supply chains, which have now been disrupted by the pandemic. Thus, the Fourth Industrial Revolution (4IR) technology-based partnerships present another key niche area of cooperation between ASEAN and South Korea, especially as this will be vital to enable them to emerge unscathed from the current and future disruptions.

The next key niche area would leverage South Korea's comparative advantage in infrastructure capabilities and connectivity, which covers not only physical infrastructure such as transportation systems, but also soft infrastructure, for example, cyber and digital infrastructure systems (as discussed above), research and development linkages, civil society and think tank exchanges, and the extremely important public health governance structure. In light of the COVID-19 pandemic, the aviation industry requires urgent reform as air travel has been temporarily curbed. As not all goods and cargo are suitable for maritime shipping, aircraft can be repurposed rather than laying them off. This initiative would determine whether airlines can survive. Aviation reform should also take into account the green economy concept, as stipulated in South Korea's pandemic recovery plan. The Korean New Deal that consists of digital and green components to mitigate future crises shows Korea's foresight in policy planning and risk mitigation strategy. As Steven C.M. Wong observes, the model is the right one and should be synchronized in the existing NSP policy structure.

Infrastructure systems, whether cyber, maritime, aviation, railway, or public health infrastructure, require a durable and stable overseeing mechanism, sustainable networking, and connectivity among all stakeholders in ASEAN and South Korea. Considering Choson Exchange's experience as a non-governmental organization (NGO) building connections between the two Koreas with expertise from ASEAN civil society organisations and the private sector, an anchoring structure with a long-term strategy that will not be hijacked by political changes or strategic uncertainties is highly important to achieve the long-term objective of peacebuilding on the Korean Peninsula. The example of Choson Exchange shows how sustainable and meaningful engagement has to be predicated on long-term commitment.

## Three guiding principles to implement the NSP

Drawing on the lessons and experiences discussed in the chapters of this volume, it is my opinion that further implementation of the NSP should be in accordance with the following three guiding principles: near-term institutionalization, mid-term cultivation, and long-term consolidation.

In the near-term, institutionalizing South Korea's approach towards ASEAN is a priority. The Moon administration has made tremendous progress since the NSP was launched in 2017, but the fate of the NSP is unclear.<sup>10</sup> The Presidential Committee on New Southern Policy advises the Blue House, but it is an ad-hoc committee and there is no indication that this Committee will be in existence after the Moon administration ends in May 2022. To convince the ASEAN leadership to continue investing in its collaboration with South Korea, a permanent NSP office should be established within the South Korean government. The ideal home for this office would be the Korean Ministry of Foreign Affairs. This office should retain the strongest feature of the Presidential Committee, that is its structure, which includes official representatives from other South Korean ministries. The coordination of the contributions of these ministries is crucial to the sustainability of South Korea's multi-pronged areas of collaboration with ASEAN under the NSP. With such an institutionalized structure, such signature projects as the Korea-ASEAN Smart Cities Network and public health diplomacy will be able to proceed, regardless of domestic political changes. The South Korean government will maintain institutional memory and continue the work. ASEAN counterparts should undertake the same efforts.

The continuing cultivation of existing anchors, expertise and networks is critical for mid-term implementation. The areas of cooperation mentioned above are the most promising key niches that will anchor multi-track ASEAN-ROK partnerships. These 'anchoring niches' are not only fully compatible with the NSP's 3Ps agenda of People, Prosperity and Peace, but also multi-layered, with the possibility of positive spillovers into other areas. South Korean-ASEAN cooperation in these areas will be multi-sectoral, where governments, the private sector, civil society and individuals can all collaborate between and among themselves. The cultivation and development of these expertise and networks should be two way: from South Korea to ASEAN and from ASEAN to South Korea. 'NSP-friendly' networks of policymakers, analysts, alumni networks, businesses, journalists, youth leaders, NGO representatives and expat communities are already established in ASEAN. The result of South Korea's long-term efforts in cultivating interest and talent, these networks will significantly deepen ties between South Korea and ASEAN. The potential of these readily available networks and channels should be tapped by both South Korea and ASEAN to further strengthen ties.

This brings us to the principle of the long-term consolidation of ASEAN-ROK connectivities. Consolidation will ensure that the institutionalized patterns of ongoing cooperation lead to deepening ties instead of being reversed. As shown above, the bilateral-multilateral nexus is a mutually reinforcing layer of the partnership. And within the multi-layered nexus is the governmental-societal nexus. What binds are the NSP's complementary 3Ps that correspond with the ASEAN Community framework: the prosperity-peace nexus. It is impossible to separate the economic agenda from the political and socio-cultural agendas. For instance, whether the digital economy can play the role of guarantor for future economies will require the political will to establish cybersecurity as a top security concern. Effective coordination requires assistance with capacity-building and support by the existing expertise and business networks. The same goes for the maritime domain: maritime economy, maritime security, and the pertinent personnel and knowledge exchange among people.

As the ASEAN and South Korea partnership grows, all parties must consolidate their long-term cooperation on the grounds of mutual trust and respect. The dynamics of APT cooperation are often cast as those of donor-recipient. As the progress of ASEAN integration is slow, this means the less developed member states tend to be dependent on donor countries, which are more often than not countries from outside ASEAN. This is what is so bold and different about President Moon's NSP vision: it



seeks to elevate ASEAN's status in South Korea's foreign policy agenda. The message from the South Korean stakeholders to their ASEAN counterparts has been persistent and sincere – South Korea, as a middle-power, would like to collaborate with the AMS in a non-condescending manner. As this manner sets South Korea apart from the major powers and gives credence to the often-quoted statement that South Korea is 'a benign and true partner with no historical baggage or no territorial disputes', being treated as equals is something all AMS would deeply appreciate.

To conclude, having identified three key niche areas of cooperation, the next phase of NSP implementation is to translate the existing assets into more integrated cooperative networks. As middle powers against a background of intensifying geopolitical rivalries, South Korea's and ASEAN's interests converge in their shared desires for peace, prosperity and enhancing people-to-people relations. For relations to deepen and be elevated, all parties need to focus on niche areas of cooperation, cultivate networks and consolidate nexuses. When this happens, the South Korea and ASEAN partnership will actualize its potential to strengthen the institutionalization of regional architecture. This model of partnership can then be extended to the wider Asian region.

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#### Endnotes

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- <sup>3</sup> The interview was conducted in Singapore, February 11, 2020.
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- <sup>5</sup> "Int'l Maritime Security Forum Set for This Week in Seoul," *Yonhap News Agency*, May 29, 2018, <https://en.yna.co.kr/view/AEN20180529003100315>.
- <sup>6</sup> This interest prompted Dr Choi Yoon Jung, Director of the Center for ASEAN and Indian Studies at Sejong Institute (who was a guest at the Forum) to undertake a study with the maritime nations of ASEAN to assess the feasibility of launching a Korea maritime cooperation framework to run in parallel with the Korea-Mekong cooperation framework.
- <sup>7</sup> This view was also confirmed by Dr Kim Wonhee of the Korea Maritime Institute (KMI), who also attended the Forum.
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- <sup>9</sup> Defence industry cooperation has not been discussed in this book.
- <sup>10</sup> The President of South Korea is elected to a five-year term, with no possibility of re-election. As President Moon took office on May 10, 2017, at the time of writing, he has already passed the half-way mark of his five-year term. So, time is of the essence.

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