

# Foreign Policy Looks South: Seoul's 'New Southern Policy'

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South Korean President Moon Jae-in is in the middle of a six-day trip to India and Singapore. The visit underscores a little-discussed but crucial aspect of South Korea's foreign policy under his presidency. Namely, Seoul wants to strengthen economic and diplomatic ties with ASEAN and India to rebalance its external links away from Northeast Asia and the US. This way, the current government wishes to further develop trade and investment links with the region and to gather support for its North Korea policy.

Certainly, President Moon is not the first South Korean president to understand the potential of stronger links with ASEAN and India for his country. Seoul signed free trade agreements with ASEAN in 2007 and India in 2010. It has also signed deeper trade agreements with Singapore and Vietnam separately. Furthermore, successive South Korean governments have sought the support of Southeast Asian countries for their North Korea policy. And it should not be forgotten that South Korean culture from K-pop to K-dramas is immensely popular across most of the region. Previous South Korean governments supported its expansion throughout the region, as the Moon administration is also doing. This helps to generate goodwill that, at the very least, predisposes governments to have a favourable view of South Korea.

President Moon's 'New Southern Policy', unveiled in November 2017 in Indonesia, significantly upgrades the position of ASEAN and India as South Korean partners though. In the area of so-called prosperity, Seoul seeks to increase trade with ASEAN and India to guard against growing US protectionism under

South Korean President Moon Jae-in is in the middle of a trip to India and Singapore. This visit fits within Seoul's 'New Southern Policy', an effort by the Moon government to strengthen economic and diplomatic links with ASEAN and India. On the economic front, President Moon seeks to increase trade and investment between South Korea and its southern neighbours. Previous South Korean governments signed free trade agreements with both ASEAN and India, but increasing protectionism in the US and trade sanctions from China in 2017 convinced Seoul that it should further diversify its economic links. As for diplomacy, South Korea sees ASEAN, especially, and India as key partners to bring North Korea in from the cold. They can provide diplomatic support for President Moon's engagement efforts, and Vietnam can serve as a model if and as North Korea continues to implement economic reform.

President Donald Trump. Furthermore, China's sanctions on South Korea throughout 2017 due to the deployment of THAAD reminded Seoul that its largest trading partner is willing to flex its economic muscles to pursue its foreign policy objectives. The Moon government also seeks to guard against this. ASEAN is one of South Korea's three largest trading partners, and India is its seventh largest export destination. With few, if any, political problems with South Korea and a growing middle class, Seoul sees its southern neighbours as ever-more important trade partners.

Meanwhile, investment is increasingly relevant in the economic relationship between South Korea on the one hand and ASEAN and India on the other. South Korea is the fifth largest investor in ASEAN. Chaebols and SMEs have long been outsourcing to Vietnam, Thailand and other lower-cost production bases in the region. As India seeks to become more integrated in East Asian production chains, it should attract a growing share of South Korean outward investment. Furthermore, South Korean chaebols are busy helping to upgrade the infrastructure of emerging ASEAN countries and India. Railroads, ports, roads and power plants are among the sectors in which South Korean companies are competing heads-on against Japanese and Chinese firms.

Turning to the area of so-called peace, President Moon sees in ASEAN an important partner as he pushes his peace agenda with North Korea. First and foremost, Seoul wants ASEAN and India to provide diplomatic support. This is almost a given, for this has traditionally been the case. But the fact that last month's summit between President Trump and North Korean leader Kim Jong-un was held in Singapore underscores the importance that the region holds as North Korea seeks to open up. Half of ASEAN's members have embassies in Pyongyang. India also does. They can thus provide first-hand information about the situation in North Korea. On the other hand, most ASEAN countries implemented sanctions against North Korea last year. They thus supported Washington's 'maximum pressure' campaign. So they can also slow down Pyongyang's opening up.

Support for 'maximum pressure' has now declined across the region though, paving the way for ASEAN and – potentially – India to play a constructive role if diplomacy continues to dominate inter-Korean and US-North Korea relations. Vietnam, in particular, could be especially important because many South Korean policy-makers and analysts see the Southeast Asian country as a potential model as and if North Korea continues to go down the path of economic reform. President Moon visited Vietnam in March and, reportedly, discussions on

this matter were held. Meanwhile, Singapore used Kim Jong-un's visit for the summit with President Trump to show him around the city-state. The message was clear: this could be Pyongyang in the future. Furthermore, new Malaysian Prime Minister Mahathir Bin Mohamad announced in June that his country would re-open its embassy in Pyongyang. It had closed following the assassination of Kim Jong-un's half-brother Kim Jong-nam in Kuala Lumpur last year. The move highlighted that the tide is turning in ASEAN's approach towards North Korea.

Equally relevant, ASEAN is one of the dialogue partners in President Moon's Northeast Asia Platform for Peace and Cooperation. This is a track 1.5 forum to support and promote security cooperation in Northeast Asia, and is one of the pillars of Seoul's Northeast Asia Plus Community of Responsibility of which the New Southern Policy is also part. Including ASEAN in this forum allows its officials to discuss North Korean matters and share their knowledge with Northeast Asian and American counterparts among others. This stresses that the Moon government believes that ASEAN can be actively involved in dealing with the North Korean conundrum. Indeed, a visiting delegation from ASEAN's Committee of Permanent Representatives attending a June meeting at the ASEAN-Korea Centre in central Seoul expressed the organisation's willingness to do so.

Ultimately, strengthening links with ASEAN and India is logical for South Korea. Northeast Asia aside, this is the region closest to the Korean Peninsula. Trade and investment links bind the whole of East Asia in the area of economics. The Moon government thinks that the North Korean nuclear issue also brings them closer in terms of security. While building from pre-existing relations, President Moon's New Southern Policy seeks to upgrade relations between South Korea and ASEAN and India and reduce dependence on Northeast Asian links.

## About the author

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