

Korea's New Southern Policy towards ASEAN: Context and Direction

Jaehyon Lee (Asan Institute for Policy Studies)

1. Introduction

Despite the ongoing security crisis on the Korean Peninsula continuing to dominate international headlines, the Moon Jae-in government is moving forward with its other key foreign policy election promises. In particular, the new government is seeking to elevate strategic ties with the Association of Southeast Asian Nations (ASEAN) on par with Korea's four traditional, major diplomatic partners of the United States, China, Japan and Russia. This new policy orientation is being pursued under the government's broader strategy of promoting a "Northeast Asia Plus Community for Responsibility-sharing" (Northeast Asia Plus Community or NEAPC hereafter).¹

President Moon Jae-in announced Korea's initiative for ASEAN, titled the 'ASEAN-Korea Future-oriented Community Initiative' (AKCI), during his visit to Indonesia, Vietnam and the Philippines for the 2017 Asia-Pacific Economic Cooperation (APEC) Summit and 2017 ASEAN+3 and East Asia Summit (EAS) meetings. He noted that the initiative was guided by the "three Ps" of People, Prosperity and Peace and announced a number of economic and socio-cultural initiatives that would support its efforts. As a first move, the AKCI announcement could not contain every detail of the new initiatives and ideas. As time goes by, more details will be revealed and refined in a series of discussions with ASEAN countries.

This paper examines the context of the Moon Jae-in government's renewed commitment to ASEAN and its broad directions. For this goal, the first section of the paper explains the structures of the Moon administration's regional policy, the NEAPC, and locates the AKCI within it to provide a broad picture of the Moon government's regional outlook. In the following section, the AKCI's origins are explained. Previous Korean government's policies towards ASEAN, including their issues, are the

¹ Throughout this paper, Northeast Asia Plus Responsibility-sharing Community or Northeast Asia Plus Community (NEAPC) and ASEAN-Korea Future-oriented Community Initiative (AKCI) will be used a lot. These are author's own translation of Korean names and the abbreviations, likewise, are the author's own based on the translation.

context in which this government's policy came out. In the fourth section, the paper analyses the strategic, economic and socio-cultural importance of ASEAN for Korea. It is divided into two categories – existing relations between ASEAN and Korea, and the future importance of ASEAN for Korea. In the last section, the broad directions of AKCI based on the elements announced so far will be analyzed in the areas of security, economic, socio-cultural and regional cooperation.

2. New Southern Policy under Northeast Asia Plus Community

President Moon's NEAPC first appeared in his election manifesto. Cooperative diplomacy with four major partners--the US, China, Japan and Russia--and NEAPC was one of his promises made in the field of foreign policy. In more detail, the manifesto outlined three main items under the NEAPC initiative: "strengthening Korea, China, Japan trilateral cooperation and resuming Six Party Talks", "building NEAPC integrating multilateral security cooperation and economic community", and finally, "elevating ASEAN and India as economic, political and strategic partners par on with four major powers".² This was the first occasion that ASEAN was mentioned in his presidential promises.

It is interesting to note that the ASEAN element is a new addition in this presidential election. President Moon was not successful in a previous presidential election in 2012. Moon's presidential election manifesto in 2012 contains almost all elements of his promises in 2017, except ASEAN and India or the so-called New Southern Policy (NSP) of this government.³ The election manifesto in 2012 mentioned balanced diplomacy for cooperation and integration in East Asia. It only focused on Korea-US, Korea-China, Korea-Japan bilateral relations, a "Partnership for Regional Peace in Northeast Asia", and laying a basis for East Asia Community. While East Asia Community is generally regarded as a vision encompassing ASEAN as well, the 2012 manifesto did not mention ASEAN at all.

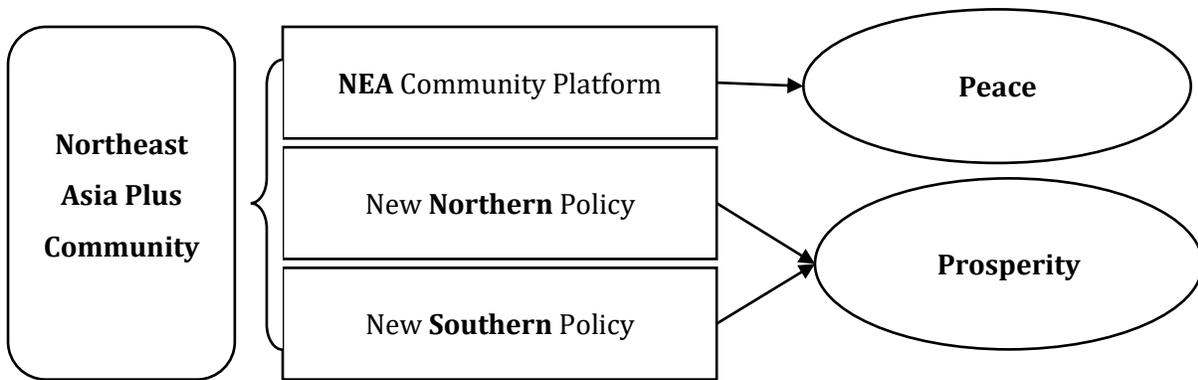
In July, the Moon Jae-in government announced 100 policy priorities. Notably, a new concept called Northeast Asia Plus Community for Responsibility Sharing was first unveiled to the public.⁴ The

² The Minjoo Party Presidential Election Manifesto. 2017. p. 235.

³ Minjoo Party. 2012. "People First, Korea" p. 191.

⁴ Korean Presidential Office Website. "National Policy Priorities"

presidential transition committee on foreign policy and national security prepared a report on NEAPC. This plan had three components - Northeast Asia Peace Framework (NEAPF), New Northern Policy (NNP) and New Southern Policy (NSP). While Northeast Asia and Northern policy have long been an integral part of Korean foreign policy, NSP was a new addition. In many ways, NEAPF shared many aspects with the so-called Northeast Asia Peace and Cooperation Initiative or NAPCI of the Park Geun-hye government. The core security questions revolving around the Korean Peninsula and North Korean nuclear threat are not significantly different from the previous government. NNP with different names has been embedded in Korean foreign policy in almost every administration.



<Conceptual Structure of NEAPC>⁵

The diagram above shows the basic structure of NEAPC. Under the banner of NEAPC, the Northeast Asia Peace Platform is designed as a framework for peace. Meanwhile the other two pillars – NNP and NSP – are described as a framework for prosperity. It is noted that, however, the peace framework and the prosperity framework are not separate entities. In this region, peace is meaningless without prosperity and prosperity is unimaginable without peace. Therefore, the framework for prosperity is not just about economic initiatives or a mercantilist approach. Without simultaneous and successful implementation of the three pillars, the whole NEAPC will not be successful.

(<https://www1.president.go.kr/government-projects>, in Korean).

⁵ Translated and re-drawn by this author based on “Initiative for Northeast Asia Plus Responsibility-sharing Community”, an unpublished report to Presidential Office.

3. Previous Policies towards ASEAN

If we look back at ASEAN-Korea relations over the past 28 years since Korea was accepted as a sectoral dialogue partner in 1989, there have been fundamental changes in Korea, ASEAN and their bilateral relations. Bilateral trade has grown 12 times between Korea and ASEAN countries. Korean investment in ASEAN economies likewise has expanded substantially. Socio-cultural exchanges such as mutual visits and students exchanges have exponentially grown as well. Due to expanding regional multilateral institutions, there are more chances for Korea and ASEAN countries to meet and discuss issues of mutual interest.

Unlike the impressive track-record of ASEAN-Korea relations, Korean government's policy initiatives towards ASEAN and the region have been highly volatile across different administrations. If we confine the discussion narrowly to Korea's partnership with ASEAN countries, the real beginning of cooperation was under President Kim Dae-jung. Two factors were working behind the scene. First, President Kim personally had knowledge and interests in Southeast Asia, which was built in his personal interactions with Southeast Asian leaders of democratic movements such as Aung San Suu Kyi of Myanmar. Second, he was elected as president in the middle of the Asian Financial Crisis in 1998, which set his policy priority. ASEAN+3, initiated by ASEAN, was regarded a good instrument to overcome the economic crisis through regional cooperation. President Kim invested a lot of his political will to promote ASEAN+3 regional cooperation.⁶ This brought Korea closer to ASEAN and ASEAN countries. More importantly, the policy direction under President Kim laid the basis for exponential growth of cooperation between ASEAN and Korea thereafter.

Before discussing the policy initiatives of other administration after President Kim, it should be noted clearly that the partnership and practical cooperation between ASEAN and Korea has grown continuously under the three presidents after Kim, Roh Moo-hyun, Lee Myung-bak and Park Geun-hye. It was mainly due to three different but interlinked factors. Already the basis of cooperation was set under the Kim Dae-jung leadership on the Korean side. Due to regional cooperation such as ASEAN+3 and East Asia Summit (EAS), Korea had to follow up cooperation projects under these institutional frameworks. In addition, regionalization momentum continued practical cooperation. ASEAN countries and Korea were tightly interlinked to each other economically and private

⁶ Richard Stubbs. 2002. "ASEAN Plus Three: Emerging East Asian Regionalism?" *Asian Survey*. 42(3).

businesses investing in and trading with ASEAN countries were propelling inter-governmental cooperation with ASEAN.

Nevertheless, the three administrations after President Kim showed weaker political will towards ASEAN. The Roh Moo-hyun administration shifted its regional policy priority back to Northeast Asia and the Korean Peninsula as summarized in his initiative for “Korea, Northeast Asia Hub Country.”⁷ With the détente between the two Koreas begun under Kim Dae-jung, President Roh tried to further push the momentum towards a decisive turning point in the Korean Peninsula situation. The Lee Myung-bak administration announced a new initiative called, “New Asia Initiative”, but the regional focus was not about Southeast Asia but rather the entire Asian region. What is more, the initiative was fundamentally a mercantilist one – maximizing economic benefits for Korea from the Asian region. In this context, Southeast Asia was viewed simply as a market for Korea.

The Park Geun-hye administration switched back to Northeast Asia and the Korean Peninsula as summarized by its “Korean Peninsula Trust Politik” and “Northeast Asia Peace and Cooperation Initiative” (NAPCI). Although later ASEAN was invited to the NAPCI process, ASEAN’s participation in NAPCI was peripheral as an observer.⁸ As mentioned earlier, ASEAN-Korea political, economic and socio-cultural interaction and cooperation increased substantially under these three administrations after Kim Dae-jung. The growth was largely led by the private sector on the basis laid by the Kim Dae-jung administration despite the lack of political will of the top leaders. The changing importance of ASEAN in Korean regional policy is understandable given the situation on the Korean Peninsula and Korea’s diplomatic inertia so far. Nevertheless, given ASEAN’s present and future significance for Korea, as will be further described below, it is time for Korea to make ASEAN a top priority of Korean diplomatic efforts.

4. Why ASEAN?

⁷ Roh Moo-hyun’s inauguration speech; Kihl Young Whan. 2005. “The Past as Prologue: President Kim Dae Jung’s Legacy and President Roh Moo Hyun’s Policy Issues and Future Challenges” in Alexandre Y. Mansourov ed. *A Turning Point: Democratic Consolidation in the ROK and Strategic Readjustment in the US-ROK Alliance*. Daniel K. Inouye Asia-Pacific Center for Security Studies.

⁸ There is no presence of ASEAN in NAPCI intergovernmental meetings and Track 1.5 meeting in 2014 and 2015. The only ASEAN presence was in international conferences and joint seminars. (NAPCI website, <http://napci.net/eng/main/main.php>)

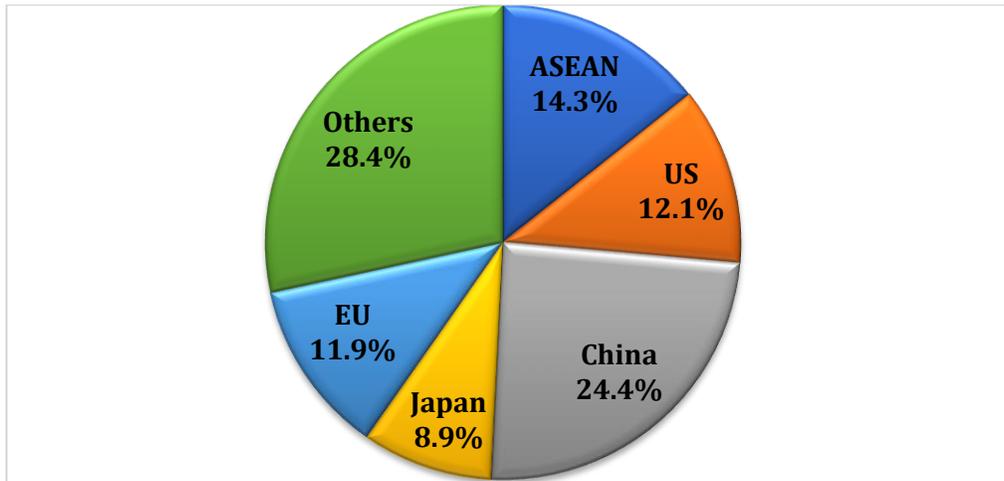
The relationship between ASEAN and Korea today justifies the Moon Jae-in administration's emphasis on ASEAN. What is more, ASEAN-Korea cooperation and partnership is essentially future-oriented as evidenced by President Moon's announcement of the ASEAN-Korea Future Oriented Community initiative. There are more important reasons to develop and consolidate ASEAN-Korea partnership if both sides look beyond the current level of cooperation and focus on long-term strategic interests jointly shared by ASEAN and Korea.

Let me first describe the existing partnership between Korea and ASEAN briefly. There are numerous dialogues and cooperation platforms in which ASEAN and Korea interact on top of regional multilateral platforms such as ASEAN+3, EAS, ARF, APEC, ADMM+. The highest dialogue channel between ASEAN and Korea is the summit. Since 1997 Korea and ASEAN leaders have held a summit meeting at least once a year. So far, there have been 17 ASEAN-Korea summits including two special summits since 1997. Below the summit, there have been Foreign Ministers' meetings and Economic Ministers' meetings since 2003. The history of the foreign ministers' meeting has a longer history than that of the top leaders. Other cooperation fields such as trade, information and communication technology (ICT), cross-border crime, and transportation have their own ministerial level meetings.

One of the main dialogue channels for cooperation is the ASEAN-Korea Dialogue, headed by the deputy foreign minister. The ASEAN-Korea Joint Cooperation Committee (JCC) is the main institution supervising the implementation of bilateral cooperation projects. The JCC is held at the ambassador level and has a JCC working group as a sub-unit. In 2013, leaders of ASEAN and Korea made the decision to hold an ASEAN-Korea Security Dialogue. Since then, the security dialogue has been held on the occasion of the ASEAN-Korea Dialogue where various security issues, ranging from the situation in the Korean Peninsula to a variety of non-traditional security issues, including anti-terrorism measures, food security, energy security and disaster management, have been discussed.

Economic relations between ASEAN and Korea are substantial. ASEAN is number two trading partner of Korea and Korea is ranked 6th for exports, 5th for imports and 5th for overall trade from the perspective of ASEAN countries. While ASEAN has continuously been the second biggest trading partner of Korea for years, Korea has been ranked between 5th to 7th among ASEAN's trading partners since 2000. In 2015, Korea's exports to ASEAN were 74.8 billion USD and Korea's imports

from ASEAN were 45 billion USD, which made the total trade volume between Korea and ASEAN almost 120 billion USD.⁹ Southeast Asia is Korea's second or third biggest investment destination. From ASEAN's point of view, Korea is the 6th biggest investor in ASEAN countries. Korea invested 9.7 billion USD into 10 ASEAN countries in 2015, which accounts for 3.3% of total FDI into ASEAN.¹⁰



<Korea's Major Trading Partners, 2015>¹¹

Almost 5 million Koreans visited Southeast Asia, which is 25% of the total number of Koreans who travelled overseas in 2015. Popular wisdom would expect that China is the number one destination for Korean tourists, but this is wrong. The number of Korean visitors to Southeast Asia outnumbers visitors to China by 500,000.¹² In addition, around 2 million ASEAN people visit Korea, making around 7 million two-way mutual visits between ASEAN and Korea a year.¹³

Country	ASEAN Nations in Korea (2017)	ODA (USD Mil. 2014)
Vietnam	148,950	178.8
Thailand	94,335	3.4
Philippines	54,518	60.9

⁹ ASEAN-Korea Centre. 2016. 2016 ASEAN & Korea in Figures. pp. 44-45.

¹⁰ ASEAN-Korea Centre. 2016. 2016 ASEAN & Korea in Figures. pp. 80-81.

¹¹ ASEAN-Korea Centre. 2016. 2016 ASEAN & Korea in Figures. P. 47.

¹² Korea Tourism Organization. 2016. Major Destination of Korean Overseas Tourism (In Korean).

¹³ ASEAN-Korea Centre. 2016. 2016 ASEAN & Korea in Figures. p. 100.

Cambodia	44,562	68.6
Indonesia	42,090	21.4
Myanmar	21,926	25.5
Malaysia	10,707	0.3
Singapore	2,993	-
Laos	977	29.0
Brunei	143	-
ASEAN Total	421,201	387.9

<ASEAN Nations in Korea and Korean ODA to ASEAN countries>¹⁴

There are a total of 420,000 ASEAN people in Korea as of January 2017, including migrant workers, marriage migrants, as well as some for business, study, and tourism. There were more than 300,000 Korean nationals staying in ASEAN countries in 2015 and the number is increasing.¹⁵ Overall, given these substantial political, economic and socio-cultural interactions, it is safe to say that the partnership is more substantial than those of Korea's traditional four major diplomatic partners, the US, China, Japan and Russia.

The AKCI indicates Moon administration's eye is on the future partnership between ASEAN and Korea. In other words, based on existing relations and partnership, the initiative intends to deepen the ties for the shared future interests of ASEAN and Korea. President Moon's intention of diplomatic diversification is a backdrop of his ASEAN initiative. Korean diplomacy and foreign policy so far has been disproportionately focusing on the Korean Peninsula and the so-called four major partners of Korea. Although the issue and the four partners are quite critical for Korea's national security and interest, the narrow focus has not kept up with changing strategic environment. The security and strategic environment surrounding South Korea forced Korean governments to put all their strategic eggs in a very limited number of baskets.

Korea is increasingly facing contradicting pressures from superpowers around the Korean Peninsula as the strategic rivalry and competition between the US and China deepens. With this development, Korea's room for manoeuvring or autonomous space is shrinking. Korea nonetheless has to manage the contradicting pressures, decrease strategic tension surrounding the Peninsula and expand its strategic autonomy. Increasing Korea's strategic leverage against superpowers holds

¹⁴ ASEAN-Korea Centre. 2016. 2016 ASEAN & Korea in Figures. p. 38.

¹⁵ ASEAN-Korea Centre. 2016. 2016 ASEAN & Korea in Figures. pp. 120-121.

the key to solving the strategic puzzle facing Korea by forming coalitions with countries of similar interests.

In this regard, ASEAN is Korea's number one partner for strategic cooperation. Beyond Northeast Asia, ASEAN is geographically closest to Korea. The geographical proximity makes the two ideal strategic cooperation partners. What is more, there are already substantial grass-root cooperation and partnerships, on which the two parties can build further in-depth strategic cooperation. Geographical proximity and existing cooperation basis are only necessary conditions. The sufficient condition for ASEAN-Korea deepening strategic cooperation is that the two parties share similar strategic interests. Both are to a certain degree squeezed between the contradicting pressures from the superpowers and are striving to expand their autonomous space in the region and to increase diplomatic leverage.

Another important aspect of future-oriented cooperation between ASEAN and Korea is that enhanced cooperation with ASEAN is fulfilling an expected – and to a certain degree self-claimed – role of Korea by the international community. Since the Lee Myung-bak administration, one of the buzzwords of Korean diplomacy and foreign policy was “middle power diplomacy”. This is based on Korean confidence in its economic and technological capability as well as on its status in the international community. Since then, while Korea has been trying to be active in many international forums such as the G20, Nuclear Security Summit and contributions to Official Development Assistance (ODA), the Korean government has been increasingly conscious of its contribution to the international community.¹⁶

There has also been growing emphasis on Korea's contribution for the economic growth and development of developing countries. Korean ODA to developing countries has steadily increased, although it still falls short of the OECD Development Assistance Committee (DAC) recommendation.¹⁷ On top of that there have been programmes to share Korean experience of economic growth and democratisation with developing countries. The growing consciousness and efforts of Korea reflect the increasing pressure from the global community that Korea has to do its

¹⁶ Andrew Cooper. 2015. “G20 Middle Powers and Initiatives on Development” in Jongryn M. eds. *MIKTA, Middle Powers, and New Dynamics of Global Governance: The G20's Evolving Agenda*. Asan-Palgrave Macmillan Series. Palgrave Pivot: New York.

¹⁷ Lee Seungjoo. 2014. “Multilayered World Order and South Korea's Middle Power Diplomacy: The Case of Development Cooperation Policy” EAI Middle Power Diplomacy Initiative Working Paper 06.

share to provide common goods for the international community, given its economic strength and capability.

If Korea wishes to continue its commitment in developing countries and to conduct the roles expected by the international community, definitely the first target for Korea is the developing countries in ASEAN region. Already Korea is stepping up its effort to share its development experience with ASEAN countries. Around 25% of Korean ODA goes to ASEAN developing countries. There are many joint efforts to address regional non-traditional and human security issues. Still, however, there is a lot more to be done in this area. If Korea is genuinely interested in the peace and prosperity of the region, this is the future direction for ASEAN and Korea to cooperate. Without addressing comprehensive development issues – not just about economic development, but also human security and development as well - genuine peace and prosperity is not attainable.

5. Direction of ASEAN-Korea Future Oriented Community

President Moon's announcement of the AKCI does not reveal all the details of the new government's initiatives and ideas towards ASEAN. It only showed major principles – People, Prosperity and Peace or 3Ps – and some economic programs designed for three countries, Vietnam, Indonesia and the Philippines, that he visited.¹⁸ We can make further assumptions and suggestions based on what has so far been announced officially and unofficially. President Moon's idea towards ASEAN starts from his emphasis on diplomatic diversification. When a Korean leader thinks about diplomatic diversification to create a new strategic space, one first has to consider ASEAN given geographical and socio-economic contexts. For this, he proposed to put ASEAN in the top priorities of Korean diplomacy along with the existing four major diplomatic partners of Korea.

The foreign policy and security policy report submitted to the presidential office first mentions the directions of ASEAN policy so far and what should be improved in that regard. Major reflection on past ASEAN policy includes wrong economic and security approaches. Korea's economic approach to ASEAN so far has been too mercantilist. The policy was preoccupied with enlarging Korea's economic gains in ASEAN countries, regarding ASEAN region either as a production base with low

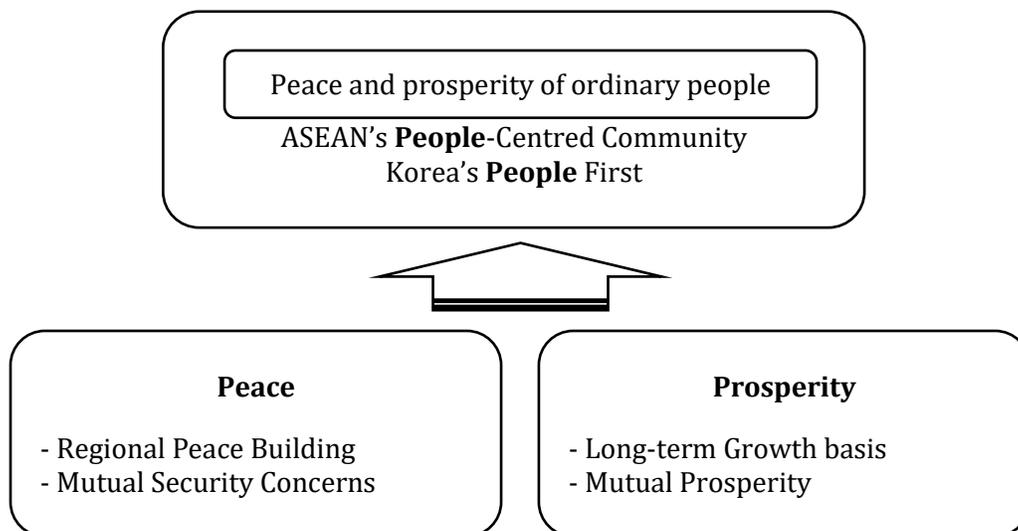
¹⁸ Moon Jae-In. 2017. "Toward a People Centered ASEAN Community" Project Syndicate. 10 November. (<https://www.project-syndicate.org/commentary/korea-asean-cooperation-at-50-by-jae-in-moon-2017-11>)

wages or as a growing market for Korean products. In security issues, Korea has been pursuing its goal of managing threats from North Korea through putting pressure or through persuading ASEAN countries to support the South Korean position on the Korean Peninsula issue.¹⁹ This caused 'Korea Peninsula Fatigue' among ASEAN countries.

"People" comes first among President Moon's 3Ps towards ASEAN. President Moon has put people or ordinary citizens as one of the core features of his policies. Although the slogan was not frequently used in the 19th presidential election campaign, his main campaign slogan for his unsuccessful bid for the job in 2012 was "People First, Korea". This emphasis on people or on ordinary people's concern, welfare, and prosperity strikes a chord with the ASEAN Community's People-centered Community principle. Both are a reflection on East Asia's deep-rooted state-centrism. The states and society in the region are mature enough and are now able to address the security, prosperity and interests of individuals, which is fundamental to social and national well-being.

Of the remaining two, "prosperity" and "peace" mirror the reflections on the past Korean approach to ASEAN. "Prosperity" now means more about mutual prosperity between ASEAN and Korea rather than Korea's economic gains. In addition, it also means not just sharing Korea's development experience with ASEAN developing countries, but also laying the basis for long-term growth of those countries through infrastructure development and so on. The economic assistance that President Moon announced during his trip to ASEAN in November includes Korea's initiatives on infrastructure development. Finally, the "peace" pillar was not heavily mentioned by President Moon during his trip to ASEAN this time. Nevertheless, it is notable that he mentioned 'peace', not 'security'. It is thus likely that the strategic cooperation between ASEAN and Korea is more about building peace in the region rather than about security and military issues. Prosperity in the region is impossible without peace beyond narrow security.

¹⁹ "Initiative for Northeast Asia Plus Responsibility-sharing Community", an unpublished report to Presidential Office. pp. 14-15.



<3Ps in ASEAN-Korea Partnership>

Last but not least, there is a major difference on the domestic front between the Moon administration's approach to ASEAN and previous ones. In the early days of each administration, there have been some emphases on ASEAN policy and initiative. It did not last long however. As time goes by Korean Peninsula issues and Korea's relations with major powers pushed ASEAN policy aside and initiative toward ASEAN increasingly became secondary. To avoid the same mistake, the Moon administration is attempting to institutionalize an inter-ministerial body that pursues ASEAN policy. It is going to monitor and coordinate ASEAN-related initiatives and policies. With this institutionalization, it is expected that Korea's initiative towards ASEAN would not be sacrificed by other diplomatic and foreign policy concerns. While there are other domestic issues such as changing the public's perception toward ASEAN and an expanding knowledge base on ASEAN in Korea, the institutionalization of a government agency on ASEAN initiative is a meaningful breakthrough in Korea's policy towards ASEAN.

6. Conclusion

Moon Jae-in is the first Korean president who put ASEAN as one of the most important diplomatic priorities of Korea. Although former President Kim Dae-jung made big progress in ASEAN-Korea relations, he did not officially announce ASEAN as one of the main focuses of Korean foreign policy. Of course, the three presidents after Kim were more concerned with Northeast Asia, Korean

Peninsula and so-called four major powers surrounding Korea. Consequently, ASEAN is currently getting significant media and public attention in Korea. With this, much has already been done for the ASEAN-Korea partnership. With the presidential initiative, the general public perception on ASEAN is quite different.

Korean government argued for export or trade diversification when Korea was making fast economic growth. Now it is time for diplomatic diversification as President Moon stresses. Now is the time for Korea to go beyond the geopolitical and geoeconomic straightjacket of Northeast Asia, Korean Peninsula and four major partners. Given the decades-old tradition of prioritizing Northeast Asia, Korean Peninsula and major powers in Korean diplomacy, the new initiatives of the Moon administration may face obstacles at home and abroad. Critics might say that the new initiative is not tested and proven. However, all new breakthroughs or innovative attempts are not tested nor proven until they are put into practice.

The Moon Jae-in government now has to follow up its initial announcement of the New Southern Policy and ASEAN-Korea Future-oriented Community Initiative (AKCI) with concrete policies, principles and directions – how the NSP and AKCI are structured, under what principles and heading in what directions etc. A series of new announcements have to follow the initial announcement to keep ASEAN countries interested in Korea's initiative. In every government, ASEAN initiatives are quickly forgotten because of other foreign policy issues in Northeast Asia and Korean Peninsula. New governments have had to start their policy almost from scratch again and again. To avoid this error, domestic institutional preparation is urgently needed so that ASEAN-Korea cooperation and partnership can make an incremental progress going forward.