

**South Korea's New Southern Policy and the United States Indo-Pacific Strategy:
Implications for the U.S.-ROK Alliance**

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Introduction

In 2017, the South Korean government launched the New Southern Policy to promote greater cooperation with countries in Southeast Asia and India. This comes at a time when other major powers, China and the United States in particular, have also turned their attention to Southeast and South Asia. Does the Moon government's New Southern Policy (NSP) reflect greater foreign policy autonomy or opportunities for increased alignment with the Biden administration's Indo-Pacific strategy? Are there specific areas of policy convergence in U.S.-South Korea relations as Washington and Seoul seek greater engagement with members of the Association of Southeast Asian Nations (ASEAN)? How might Beijing perceive enhanced U.S.-Republic of Korea (ROK) cooperation in Southeast Asia? This working paper examines the NSP, its significance to South Korean foreign policy, and its appropriateness for alignment with other broader Indo-Pacific strategies. It concludes with a set of policy recommendations for Seoul and Washington to consider.

Launching the New Southern Policy

The NSP is the first major initiative to advance South Korean interests in Southeast and South Asia under a single framework. However, even prior to the NSP, relations between South Korea and ASEAN and India, respectively, had been moving forward. Formal relations between ASEAN and Korea were first established in 1989 when ASEAN added South Korea as a sectoral dialogue partner.¹ However, relations between the two sides remained fairly limited until the Asian financial crisis when ASEAN strengthened ties with the three major Northeast Asian countries - China, Japan, and South Korea - to form the ASEAN Plus Three (APT). In addition to bolstering East Asian regionalism and improving multilateral financial cooperation between Northeast and Southeast Asian countries, the APT framework enabled South Korea to enhance bilateral relations with several Southeast Asian countries. ASEAN and South Korea signed a series of trade and investment agreements in the latter half of the 2000s that formed the basis of the ASEAN Korea Free Trade Agreement (AKFTA). To promote trade, investment, tourism and cultural ties between ASEAN and South Korea, Seoul established the ASEAN-Korea Centre. Deepening economic ties led to enhanced political and security relations with the two sides forming a strategic partnership at the 13th ASEAN-ROK Summit in 2010 to advance "peace, stability, security, development and prosperity in the region."

South Korea's formal relationship with India predates its ties to ASEAN. Bilateral consular relations formed in 1963, with full diplomatic relations established in 1973. In 2006, India and South Korea launched discussions supporting the bilateral Comprehensive Economic Partnership Agreement, which came into effect in January 2010. South Korean president Lee Myung-bak's state visit to India that same month also helped elevate India-South Korea relations to the level of a strategic partnership.

In short, even prior to the NSP, past South Korean governments had advanced South Korean economic and strategic interests in Southeast Asia and India. This includes South Korean participation in regional institutions such as the ASEAN Regional Forum (ARF) and the East Asia Summit, in addition to the APT. India and South Korea also upgraded their relationship to a

¹ ASEAN elevated South Korea to a full dialogue partner in 1991.

“special strategic partnership” in 2015 with the intent of creating a 2+2 dialogue at the vice-ministerial level involving the foreign and defense ministries.

Despite making great strides in diplomatic and economic relations with ASEAN and India the past two decades, South Korea’s diplomatic profile and public attention to Southeast and South Asian affairs has remained relatively low compared to relations with the four major powers in Northeast Asia: the United States, China, Russia, and Japan. Thus, centered on three core pillars - people, prosperity and peace – the NSP has raised the profiles of ASEAN and India in South Korean foreign policy. The NSP also signals the Moon government’s political will to deepen economic, cultural, and people-to-people ties with ASEAN member states and India.

Indeed, President Moon fulfilled an early pledge to visit all ten ASEAN countries in his first two years in office. In November 2019, the South Korean president hosted ASEAN state leaders in Busan with great fanfare for the ASEAN-Republic of Korea commemorative summit celebrating thirty years of ASEAN-Republic of Korea (ROK) relations. The Moon government also expanded diplomatic resources towards ASEAN and India by elevating the new Southeast Asian Affairs bureau within the Ministry of Foreign Affairs (MOFA) to parallel the China and Japan bureaus. As political scientist Yoon Ah Oh argues, by packaging Southeast Asia and India within a broader “foreign policy brand” of the NSP, the Moon government has bestowed Southeast Asia and India “belated political recognition which is proportional to these regions’ importance.”

Diversification, economic opportunities, and foreign policy latitude

Three related factors have motivated the Moon government to deepen relations with Southeast Asia and India under the framework of the NSP. The first is economic diversification. President Moon unveiled the NSP during the height of China’s economic boycott targeted against South Korea. China’s punitive response to South Korea’s decision to permit the U.S. deployment of the THAAD missile defense system underscored Seoul’s vulnerability to Chinese economic dependence. In light of economic and geostrategic realities, the Moon government sought to diversify and expand its economic relations outside of China. By relying more on ASEAN’s export market and expanding trade and investment with countries such as Vietnam, Indonesia, Malaysia, the Philippines, and Thailand, Seoul reduces the risks of Chinese economic coercion and U.S.-China trade friction.

Second, untapped economic opportunities exist in Southeast Asia that merit elevating ASEAN-ROK relations, regardless of Seoul’s need for diversification. As stated by the NSP presidential committee, the NSP provides support for Korean companies to “participate in infrastructure projects and make inroads into the manufacturing sector.” The presidential committee also identified Southeast Asia as a potential market for developing new technology platforms. In addition, the spread of Hallyu in Southeast Asia has helped promote overseas market growth for K-Food, K-Beauty, and K-Pop products.

Since signing a series of ASEAN-ROK economic agreements in the mid-2000s, ASEAN has become South Korea’s second largest trading partner and second largest overseas construction market after the Middle East. The Moon government had presented an ambitious goal of reaching \$200 billion in trade with ASEAN in 2020, or nearly \$50 billion more than in 2017. South Korean

firms have expanded their regional investment in the processing and manufacturing, logistics, and shipbuilding sectors where South Korea holds comparative advantages. Heading into the future, the NSP will accelerate the fourth industrial revolution by boosting cooperation in the financial, information and communication, digital and bio-technology sectors. South Korea has also pledged to work with ASEAN to develop ASEAN's smart cities network to promote sustainable urban development.

Third, the NSP offers South Korea greater latitude in its foreign policy decision-making. By avoiding the discourse of a “free and open Indo-Pacific,” the NSP reflects a framework distinct from Indo-Pacific strategies adopted by the US and its allies such as Japan and Australia. Some scholars have interpreted South Korea's reticence in adopting the FOIP narrative as a sign of hedging between the US and China. Progressive South Korean governments more generally have sought to balance their relations between Washington and Beijing, seeking positive relations with both great powers. As one expert argues, the Moon government has “strategically left sensitive security and defense issues out of the scope of the NSP” to reduce any risks of becoming entangled in any US-Sino standoff.

The NSP and the Indo-Pacific Strategy

Similar to Washington's Indo-Pacific strategy, the NSP expands South Korea's foreign policy priorities westward. Despite having eschewed the FOIP language in its own regional strategy, the NSP provides ample room for cooperation on economic and local governance initiatives central to FOIP including energy, infrastructure and development, digital economy, and women's empowerment. The potential for overlap between the NSP and FOIP does not remain lost on Washington and Seoul. At the 3rd ROK-US Senior Economic Dialogue in December 2018, the two sides “discussed ways to work more closely together in implementing the New Southern Policy . . . and the Indo-Pacific strategy.” The US State Department also published its first major public report on FOIP in November 2019 acknowledging South Korea's NSP.

In the same month, the US and South Korea released a joint factsheet titled, “Working Together to Promote Cooperation between the New Southern Policy and the Indo-Pacific Strategy” as an intentional step towards coordinating policies in Southeast Asia and the Pacific Islands. The factsheet integrated the NSP's three pillars – people, prosperity, and peace – with some of the key elements of the US FOIP strategy. For instance, under NSP's prosperity pillar, the US and South Korea proposed areas where the two countries could promote prosperity through initiatives geared towards energy, infrastructure and development, and the digital economy - the same three issues the US has touted as central to FOIP's economic strategy.

Likewise, the people pillar of the NSP is fused with FOIP's message of good governance and support for civil society. To this end the U.S. Agency for International Development (USAID) and the South Korean Ministry of Foreign Affairs signed a memorandum of understanding in September 2019 to strengthen development cooperation in sectors such as women's empowerment, youth, health, and education. Furthering their economic and peace agenda, in August 2020, Seoul and Washington launched the inaugural U.S.-ROK Indo-Pacific Strategy-New Southern Policy Dialogue at the working level. Held virtually, Seoul and Washinton discussed issues ranging from maritime law enforcement to cybersecurity to Pacific Island country cooperation. These points were

further addressed in an [updated joint factsheet](#) on the NSP and Indo-Pacific in November 2020 covering transnational crime, counter-narcotics, water resource management, marine environmental protection, and natural disaster response.

Although economic and non-traditional security issues are well covered, traditional security issues have remained mostly absent from the conversation. Other experts also note that the NSP's peace pillar remains the least developed of the three pillars. As the Asan Institute's [Jaehyon Lee argued](#), "security-political cooperation is lagging far behind economic and socio-cultural cooperation between ASEAN and Korea." The NSP Plus has also done little to address broader strategic issues. As one advisory member on the presidential committee quipped in [a public forum](#), the "NSP stands for New Southern Policy, not new strategic policy."

South Korea is not the only actor to downplay strategic problems and tensions in the region. For instance, ASEAN has also tended to eschew traditional security issues in favor of non-traditional security as it remains sensitive to being drawn into the affairs of external powers. Moreover, Seoul's "[development cooperation-oriented approach](#)" to the NSP is in part a reflection of Korea's comparative advantage and identity as a middle power built around its own rapid development experience and recent growth in soft power across the region. Given the underdevelopment of the NSP's peace pillar, then, it should come as no surprise that strategic ties between the NSP and FOIP remain limited to mostly economic and non-traditional security issues.

Although some synergies exist between the NSP and the US FOIP, Seoul's cooperation with the US FOIP has been mostly circumscribed within the US-ROK alliance and "confined to a [bilateral basis](#)." The Moon government acknowledges linkages between its NSP and other Indo-Pacific perspectives such as ASEAN's Outlook on the Indo-Pacific and India's Look East policy. However, there was little interest from the Moon government in coordinating its NSP with the Indo-Pacific strategies of other regional actors from a multilateral angle. Similarly, despite its status as a consolidated democracy, South Korea remains outside of the Quadrilateral Security Dialogue, limiting its engagement to the Quad Plus.

The US-South Korea Alliance and the NSP

Following President Biden's inauguration in January 2021, and preparations leading to the Moon-Biden Summit in May 2021 produced a noticeable shift in the Moon government's approach to FOIP. Whether due to increasing pressure from the new Biden administration to join like-minded partners in the Indo-Pacific amidst US-Sino rivalry, or President Moon's own calculated shift in his approach to engaging a new US administration, South Korea has in recent months warmed up to the Indo-Pacific narrative. Rhetorically, the [joint Moon-Biden statement](#) offered South Korea's most significant sign of support for the US FOIP to date, and more importantly, an indication of Korea's own future role in the Indo-Pacific.

For instance, the two sides [affirmed](#) that the significance of their bilateral alliance "extends far beyond the Korean Peninsula: it is grounded in our shared values and anchors our respective approaches to the Indo-Pacific region." The two sides also agreed to "align the ROK's New Southern Policy and the United States' vision for a free and open Indo-Pacific and that our countries will cooperate to create a safe, prosperous, and dynamic region." This included Seoul's

support for the Quad. Offering a nod to the Biden administration’s vision of sustaining a liberal international order, the two sides mentioned their opposition to “all activities that undermine, destabilize, or threaten the rules-based international order” in order to “maintain an inclusive, free, and open Indo-Pacific.”

Despite the Moon government’s inclination to find a balanced approach between Beijing and Washington, Seoul has over time articulated stronger support for the US FOIP. There are obvious areas for cooperation, particularly in the areas of infrastructure development, human capital growth, and good governance. The US and South Korea have already taken stock of existing development projects that support common goals and mutually reinforce peace and development objectives in the region. However, to align the NSP and FOIP, the following suggestions might be considered for Seoul and Washington.

1. Seoul and Washington must consider the strategic and security implications of its NSP, even if Seoul remains reluctant in boosting the peace pillar of the NSP towards more traditional security areas. Some issues covered by the NSP such as infrastructure development, particularly as it relates to technology standards, carry regional strategic implications. Policymakers in Seoul should map out how its development strategy in Southeast and South Asia, as well as cooperation with the US and other US-allied countries might affect the regional strategic landscape.
2. South Korean policymakers must reassess their own regional role as a middle power. South Korea’s identity as a middle power still rests within the framework of East Asian regionalism. If Seoul wishes to amplify its voice as a middle power, both progressive and conservative policymakers will need to brand the NSP as part of South Korea’s broader middle power strategy rather than a framework for functional cooperation with developing countries.
3. Seoul should pursue dialogue with countries that have adopted an Indo-Pacific strategy/framework on both a bilateral and multilateral basis. Although Beijing might react negatively to Seoul’s greater engagement with Indo-Pacific countries, by dialoguing with other actors beyond the US – including members of ASEAN and the EU as well as India – a “safety in numbers” logic applies that would make it difficult for China to single out South Korea for punishment.
4. Washington must recognize Seoul’s geostrategic vulnerability in Northeast Asia, including its geographic proximity to China and ongoing concerns pertaining to peace on the Korean Peninsula. Some degree of geopolitical disconnect has always been present in U.S.-South Korea relations given the interests and responsibilities of the US as a global power and South Korea’s narrower and more limited subset of concerns as a regional middle power. These differences may become more pronounced as the US widens its traditional strategic focus on East Asia and in the Pacific to cover the Indian Ocean region. Even as the US encourages Seoul to expand cooperation on Indo-Pacific initiatives, acknowledging Seoul’s domestic and strategic constraints may help reduce potential friction moving forward.

5. The US must be smart about how it frames FOIP and its values-based diplomacy among like-minded partners. Rather than framing FOIP as a manifestation of zero-sum competition with China, the US should focus more specifically on common goals shared among Indo-Pacific actors including support for freedom of navigation, international law, good governance, improved access to COVID-19 vaccines, energy security, sustainable development and so forth. FOIP should be less about building an anti-China coalition, and more about upholding a rules-based regional order and shared governance.
6. Seoul and Washington should make an effort to embed the NSP and FOIP, and the US-ROK alliance more generally, within the broader regional architecture. Doing so may help reduce pressure on Seoul and perceptions from Washington that South Korea is choosing sides between the US and China. The US-South Korea alliance exists within a networked alliance system intended to mutually support the security of each US alliance member.
7. Seoul and Washington should seek ways to institutionalize NSP and Indo-Pacific cooperation in Southeast Asia. For instance, Seoul might consider joining the US, Japan, and Australia's blue dot network to ensure high standards and principles related to infrastructure development. Ongoing dialogue, both bilaterally and multilaterally through the Quad Plus format will also help sustain coordination between the NSP and Indo-Pacific strategy.
8. In line with the Moon-Biden joint statement, both sides should explore what it means to recognize ASEAN centrality. The AOIP provides a potential template for South Korea to follow regarding the degree to which the NSP might engage existing Indo-Pacific initiatives. However, as a treaty alliance partner, the US may expect greater strategic support from Seoul that goes beyond the AOIP.

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