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A Restrained Embrace

South Korea's Response to Germany's Indo-Pacific Strategy

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While the adoption of the Policy Guidelines for the Indo-Pacific (PGIP or Guidelines) by the Federal Foreign Office of Germany in September 2020 has raised significant interest among observers, much more attention needs to be paid to the role and response of the designated “core partners” in the region. The example of South Korea is especially important in this regard. On the one hand, there is much yet untapped potential to increase cooperation, given the overlaps in Berlin’s and Seoul’s Indo-Pacific strategies. On the other hand, South Korea’s restrained reaction to the Guidelines both reflects the geopolitical dilemma within which some regional partners are operating and foreshadows potential implementation challenges.

On 1 September 2020, Germany’s Federal Foreign Office published the new Policy Guidelines for the Indo-Pacific, reflecting the increased strategic importance of the Indo-Pacific region for Germany’s Asia policy. A major objective of the PGIP is the diversification of Germany’s Asia policy. To that end, the Guidelines identify a number of areas in which Germany aims to increase cooperation with the regional partners, e.g., in the field of security; the fight against climate change and marine pollution; strengthening the rule of law and human rights; and expanding economic relations and enhancing exchanges in the cultural, education, and scientific spheres.

As the successful implementation of the PGIP hinges upon a fruitful cooperation with the regional partners, it is crucial to understand their role in, and their reaction to, the German Guidelines. South Korea

represents a special case in this context. While many states in the region have waited for, and consequently openly embraced, the fact that Germany spoke up and formulated a strategy for the Indo-Pacific region, South Korea’s response was much more restrained. At first sight, this might be surprising, given that even before the publication of the PGIP, South Korea was already considered an important partner in region, being embedded in numerous dialogues both bilaterally with Germany and other European Union (EU) member states and multilaterally with the EU and NATO. If anything, Seoul’s significance (along with that of other regional partner countries such as India, Australia, Japan, and the Association of Southeast Asian States – ASEAN) has been further elevated, as the Guidelines stipulate South Korea as one of the core cooperation partners in



three issue areas: security cooperation, fair and sustainable trade, and digital transformation.

South Korea's Geopolitical Dilemma and the Restrained Response to Germany's PGIP

As opposed to other regional states such as Vietnam, India, and Japan, among others, South Korea's official response to the publication of the PGIP was much more restrained. There were neither media reports on the Guidelines, nor were any official statements released concerning the issue. However, this was not due to a sceptical attitude towards the contents, objectives, and proposed initiatives of the Guidelines, which both German and South Korean officials confirmed were generally viewed positively by Seoul. Rather, the response must be seen in the context of a much more general restraint by Seoul to openly address security affairs in the region.

The dominant factors driving Seoul's reluctant policy stance on the PGIP are South Korea's challenging geopolitical position and the Moon Jae-in government's desire for foreign policy autonomy. Even more so than other states in the region, South Korea has to carefully navigate between China and the United States, its own position within the SK-US alliance, its bilateral relationship with Japan, and its relationship with North Korea. As such, for a long time South Korea appeared reluctant to adopt the Indo-Pacific language that permeates the foreign policy discourses of other US allies and partners in the region. In fact, Seoul already showed a similar restraint to the United States' Free and Open Indo-Pacific (FOIP) strategy, revealed in 2017 — whereas other US regional allies such as Japan, Australia, India, and ASEAN clarified, enhanced, and coordinated their own approaches and strategies to the Indo-Pacific with those supported by the United States.

This reluctance results from the fact that the Moon administration understands FOIP as a strategy driven by geopolitical com-

petition between the United States and China — South Korea's two largest trading partners and the two major stakeholders in the question of peace and security on the Korean peninsula. Openly embracing FOIP to the extent that other US allies have would therefore inherently complicate Seoul's relations with Beijing, which sees FOIP as a balancing strategy orchestrated by the United States and its allies aimed at containing China's rising power and regional influence. While it is true that other countries are faced with a similar dilemma, for South Korea the quest for greater foreign policy autonomy is at the very heart of national identity. Of course, while this does not suggest a "go-it-alone" approach by Seoul, there is a greater scepticism towards a full-fledged engagement of any external Indo-Pacific strategy.

As one South Korean official vividly puts it: "In the midst of another and currently intensifying strategic competition between the US and China, which can be a starting point for another new Cold War, there is considerable difficulty in participating too closely in any external Indo-Pacific strategy." Seoul's policy is therefore to primarily offer quiet, diplomatic support for individual initiatives of FOIP and the PGIP in order to avoid overly antagonizing Beijing — and thus avoid Chinese punitive measures similar to those in 2017.

At that time, South Korea had permitted the United States to deploy its THAAD missile defence system on Korean soil. In response, China's National Tourism Administration instructed travel agencies to suspend selling group packages to South Korea. It directed its indignation specifically at the South Korean conglomerate Lotte after the company agreed to provide one of its golf courses near Seoul for the deployment of THAAD. Recognising the constraints of the intensifying China-US rivalry on its own foreign policy, South Korea seeks to carefully diversify its economic and strategic options. While Korea will "participate in such efforts that create new diplomatic space", as one South Korean Foreign Ministry official puts it, Seoul has formulated its

own Indo-Pacific strategy instead of adopting an external strategy, which is envisioned to enable Seoul to diversify its foreign policy strategy, realise untapped economic opportunities, and will allow South Korea to maintain some semblance of foreign policy autonomy.

South Korea's New Southern Strategy and Overlaps to Germany's PGIP

The New Southern Policy (NSP) — Seoul's de facto strategy for the Indo-Pacific — is characterised by a renewed focus on ASEAN and India based on three pillars, People, Prosperity and Peace, i.e., people-to-people exchanges, economic cooperation, and security. The introduction of the NSP by the Moon administration in 2017 was an attempt to address the necessity for South Korea to reduce its economic dependence on China and avoid unilateral imperatives in the security field. The design of the NSP can be seen as both a way to tackle inherent geopolitical and structural vulnerabilities as well as a direct response to Chinese economic coercion against South Korea, applied in the form of sanctions in 2017, as discussed above. Therefore, the stress on economic diversification is considered by South Korea as an implicit priority, as it allows Seoul to retain some room for manoeuvre in the foreign policy field while creating further opportunities for increasing cooperation with ASEAN. As such, Seoul's recent signing of the Regional Comprehensive Economic Partnership agreement is seen as a major step towards a greater diversification of its export markets and was thus hailed by the South Korean presidential office as a "core result" of the NSP.

A comparison of the South Korean and German strategies reveals substantial overlaps and compatibilities that arise from their holistic structures and common constraints. In fact, both can be considered catch-all initiatives that make the expansion of cooperation their main objective —

a goal to be accomplished through a full utilisation of all available channels. A first attempt to clarify policy priorities was recently initiated by South Korea through the formulation of a New Southern Policy Plus Strategy, which slightly restricted the focus on seven main areas, but nonetheless retains a certain holism. As a result of a similar comprehensive approach to the Indo-Pacific, the overlaps between the NSP and the PGIP are conspicuous.

In this context, the stress placed on ASEAN and multilateralism is a pivotal trait of both approaches. As stated by Moon: "It's my goal to elevate Korea's relationship with ASEAN to the level of its relations with the four major powers whose interests converge on the Korean Peninsula." Similarly, the German Federal Foreign Office confirmed that the Guidelines are a direct result of the realignment of Germany's strategy towards ASEAN: The recent upgrading of the EU-ASEAN relationship to a Strategic Partnership has been, in fact, defined by the Foreign Office as "a milestone" for the implementation of the PGIP. This is also part of the broader EU action "Enhancing EU's Role in Multilateral Fora in Asia", which is designed to expand EU participation in fora such as the East Asia Summit.

Since economic overdependence on China acts as the main constraint to a more autonomous foreign policy, a more diversified economic cooperation — with a focus on free trade agreements, fair competition, sustainability, and innovation — is at the heart of both approaches. It is in this field that progress after the publication of the PGIP has become more visible: Currently, the two countries are, in fact, deepening economic cooperation in the field of green energy and the decommissioning of nuclear power plants while discussing further use of hydrogen to phase out coal. Exchanges in the field of 5G, AI, and cloud applications are explicitly indicated by Germany's PGIP as being areas of interest for closer bilateral ties with South Korea; cooperation in this field has been carried out for years, in particular in the communication technology, digital, and R&D sectors.

Moreover, in the security field, both countries seem to be exhibiting a cautious approach to maritime security, which is apparent in the rules-based approach to the protection of freedom of navigation and the respect shown for the United Nations Convention on the Law of the Sea (UNCLOS), while retaining a privileged interest in non-traditional security (NTS).

The advanced version of the NSP clearly mirrors Germany's cautious engagement in the security field, more clearly highlighting the prioritisation of cybersecurity, terrorism, emergency response, and environmental threats – in particular maritime pollution, and defence cooperation. Security cooperation with South Korea has been traditionally delegated to multilateral frameworks within the EU, ASEAN, and NATO – frameworks such as the EU-ROK Cyber Dialogue and NATO's Partners Across the Globe – as both countries are experiencing similar levels of constraints that oblige them to invest in multilateralism and NTS. The Framework Participation Agreement (2014) between the EU and ROK and the EU project "Enhancing Security Cooperation in and with Asia", which sees ROK as one of five pilot countries, focus on areas such as counterterrorism, cyber threats, money laundering, and illicit trafficking. South Korea is, in fact, actively engaged in the fight against transnational crimes and law enforcement efforts in South-East Asia through its partnership with ASEAN and through the "K-Cop Wave Program"; cooperation with Germany – one of the top destinations in Europe for smuggled migrants from the sub-Mekong region – would be worth exploring in this particular domain. Furthermore, the protection of human rights, the stress on good governance, and the empowerment of vulnerable groups underpin the NSP's first pillar and illustrate that South Korea has been actively engaged since 1990 through the ASEAN-ROK Cooperation Fund with an annual contribution of US\$14 million in the development of human resources – efforts that are mirrored in the ASEAN-Germany Development Partnership. As is stated in the official Over-

view on the ASEAN-Germany Development Partnership:

"Germany is among the largest contributors to supporting the ASEAN Community building goals, with the current total contributions of approximately US\$164 million over the past decade to implement various cooperation programmes in the areas of agriculture, forestry, port development, energy efficiency, quality infrastructure, competition policy and law, among others."

Nevertheless, many of these overlapping commitments have not yet been highlighted as possible areas of cooperation in the Indo-Pacific between the two countries, as the German Federal Foreign Office currently foresees possible opportunities only in the fields of development cooperation, capacity-building, renewable energy, and climate change issues.

Addressing or Avoiding Hard Security Challenges in the Indo-Pacific?

The example of South Korea is instructive for yet another reason, namely how the PGIP and an eventual EU Strategy on the Indo-Pacific (will) deal with the manifold "hard security" issues in the region. Overall, the Guidelines, with the stated objective to strengthen peace, security, and stability in the Indo-Pacific region, aim at an increasing engagement in regional security issues. To understand why the resulting initiatives mainly focus on maritime security as well as NTS challenges is to acknowledge the immediate nexus between prosperity in Europe and security in Asia established in the Guidelines – with trade being the "limiting factor that prevents Germany from adopting a more confrontational approach". It is mainly in the context of this economy–security nexus that regional security policy-related risks and challenges – such as the North Korean nuclear weapon and missile programme, unresolved territorial

disputes about both land and maritime boundaries, the Taiwan and Hong Kong issues, conflicts over natural resources, and the growing rift between China and the United States — are interpreted. While these challenges might be hushed up in a strategy paper of a single European country, an EU-wide strategy on the region simply cannot afford to avoid these challenges if Brussels wants to be taken seriously as a security actor in the region. The formulation of an EU Indo-Pacific strategy provides the opportunity (and necessity) for Brussels to finally position itself in — and more actively contribute to the diffusion of — the major conflicts in the region.

In the case of Korea, this would require a more constructive role to ensure stability on the peninsula. As stated by Heiko Maas in the preface of the Guidelines, “Germany must address even more strongly the existential security concerns of its long-standing partners, be involved in coming up with responses and make a tangible contribution.” Becoming more engaged in Korean peninsula security affairs certainly is no easy task, but if Brussels adopts a realistic approach based on European interests, there is room for Germany and Europe to cooperate — not only with the NSP being pursued by the current Moon administration, but also in the peace process on the Korean Peninsula. In fact, the Guidelines contain some of the major tools for a sensible involvement of Berlin and Brussels in Korean peninsula security affairs. With the stated objective to strengthen peace, security, and stability in the Indo-Pacific region, the Guidelines aim at an increasing engagement in regional security issues in three specific issue areas:

- increasing its security policy engagement,
- continuing to implement measures for civil crisis prevention, conflict management, and peace-building, and
- increasing its arms control and export control policy engagement in and with the Indo-Pacific.

All of those issue areas will be inherent elements of any lasting peace process on

the Korean peninsula. In fact, Germany has already significantly increased its resources and engagement in the field of stabilisation and mediation in the past years, including in the Indo-Pacific — a development largely based on the Federal Government’s Guidelines on “Preventing Crises, Managing Conflicts, and Building Peace”, adopted in 2017 (Guidelines, 37). As such, there is both room and potential for transferring these experiences to the case of Korea.

The German government also signalled its willingness to share its experiences and provide expertise to the region, strengthen both arms export control and arms control, participate in collective security measures, and help implement UN resolutions.

Moreover, Berlin, in close coordination with European partners, is working to strengthen and expand security policy engagement with and within the region, for example through the project “Enhancing Security Cooperation in and with Asia”, commissioned by the EU and the German Federal Foreign Office, and jointly implemented by Expertise France and Deutsche Gesellschaft für Internationale Zusammenarbeit.

To this end, Germany is undertaking specific measures to aid the EU in raising its profile as a regional security actor and extending its field of action on the basis of the Global Strategy for the European Union’s Foreign and Security Policy.

Outlook

Leaving the Comfort Zone

While the goal of the PGIP seems to be the diversification and expansion of cooperation in the Indo-Pacific, Germany seems, nonetheless, to still be disproportionately relying on long-established partners such as Japan in key areas. If deepened cooperation with countries defined as “core partners”, such as South Korea, is hampered from reaching full potential because of relative complexities due to lack of communication or because of auto-imposed restraints in

collaborating on national policies such as the NSP, then the political willingness to participate in the shaping of the new international order might be brought into question. As one Foreign Office official has put it, with regard to South Korea “there are many yet untapped [...] areas of possible cooperation”. If Germany and the EU want to be perceived as new key actors in the region, a more pro-active engagement should be pursued, one that relies on the consideration that strategic partners are not always the ones who are better positioned in the geopolitics of the region or whose cooperation is more consolidated, but rather the ones whose change of status might lead to a transformation of the power equilibrium. Whereas Germany’s more immediate aim is economic diversification in order to pursue a more autonomous foreign policy, the final destination is the creation of a stable rules-based multilateral order in the Indo-Pacific. In this sense, South Korea — as one of the countries most restrained by Chinese scrutiny — will incredibly benefit from a comprehensive and truly committed cooperation with a partner whose reputation in avoiding unipolar imperatives is becoming increasingly clearer to international observers. The most immediate way for Germany and the EU to really shape the order in the Indo-Pacific might be through the empowerment of a player who has not really started to play yet. This could translate, for example, into enhanced collaboration with South Korea on connectivity and urban infrastructures projects, where opportunities for cooperation are largely overlooked. Support given to Korean companies to participate in infrastructure development projects in the region within key areas such as “transportation, energy and water resource management”, in particular in the Mekong region, is a key part of the NSP’s economic pillar. Similarly, “Germany has a keen interest in sustainable connectivity — i.e., in building and expanding infrastructure — with main trading partners in the Indo-Pacific region.” These are overlapping areas that offer more interesting possibilities for cooperation by

matching German investments and Korean know-how. In this field, the PGIP seems, in fact, to mainly be relying on the traditional cooperation with Japan, even if Korean construction and engineering companies “have a competitive business profile with relevant expertise, advanced technology and track records”, in addition to them striving towards obtaining Belt and Road Initiative (BRI) projects to expand their clientele away from traditional areas of engagement. Cooperation in a strategic region such as the Mekong, where bipolar competition is intensifying, or through the EU’s project “Connecting Europe and Asia”, would offer Korean companies a reliable alternative to participation in BRI projects. The EU Joint Communication on the above-mentioned project, while already relying on cooperation with Japan, clearly recommended the expansion of cooperation in this area with, among others, South Korea. In the end, the United States has recently proven that cooperation with NSP projects — by syncing national strategies, even in fields where cooperation was not previously taken into consideration — is possible, even for a country that shares far fewer compatible constraints with South Korea.

Further Sync the Guidelines with the NSP

Europe is late to the game in putting out an Indo-Pacific strategy. Many regional partners have already coordinated their respective approaches to the FOIP strategy. Much more reluctantly, South Korea, too, has begun to coordinate its NSP with FOIP. For instance, already 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 of the ROK and the Indo-Pacific strategy of the US”.

Moreover, at a joint press conference following Donald Trump’s visit to Seoul in July 2019, Moon stressed that the United States and South Korea had “reached a consensus to put forth further harmonious cooperation between South Korea’s New

Southern Policy and the United States' Indo-Pacific strategy". The remark was not only South Korea's first-ever offering to officially support the Indo-Pacific strategy in the region, it was also an attempt to link the United States' Indo-Pacific strategy to South Korea's NSP, which Moon initiated to better position the country for economic opportunities in South-East Asia and reduce reliance on existing trading partners, particularly China. A joint factsheet published by the US Department of State emphasises that the two countries "continue to work together to create a safe, prosperous, and dynamic Indo-Pacific region through cooperation between the Republic of Korea's New Southern Policy and the United States' Indo-Pacific Strategy based on the principles of openness, inclusiveness, transparency, respect for international norms, and ASEAN centrality".

Despite such steps towards coordination of the NSP and FOIP, however, South Korea's general reluctance to fully embrace FOIP also leaves room for manoeuvring – both for Europe and South Korea. Germany's (and eventually the EU's) more inclusive Indo-Pacific strategy could well provide an opportunity for South Korea to further sync its efforts at offsetting dependence on China with European initiatives in the Indo-Pacific. To the extent that the German and European regional strategy resembles the NSP, this indicates a number of possibilities for gradually bolstering regional relationships beyond what is outlined in the Guidelines. In a first step, therefore, Germany and Europe together with South Korea should more forcefully sync the NSP and the PGIP, e.g., by publishing a "Joint Factsheet" that clearly identifies the most promising areas of cooperation and which promotes further cooperation between the PGIP and the NSP. As was already done with the United States, through specific Memoranda of Understanding, the South Korean and European governments could agree to coordinate regional projects in areas such as infrastruc-

ture development, digital transformation and connectivity, fair and sustainable trade, and people-to-people exchanges. In so doing, Germany's PGIP (and a potential European Indo-Pacific strategy) must clearly identify the added value for both the EU and the core partners. Going forward, one of the key challenges for the PGIP will be to assess its own impacts. This requires clearly identifying what a policy does and what role Germany and the Korean government could and should play as well as explicating how to manage the overlaps between the different initiatives (e.g. on maritime security or digital transformation) within the PGIP and with other existing initiatives. This necessitates a clear communication strategy, both within Germany and Europe as well as with the regional partner countries. Assessing the policy impacts of the PGIP would require an examination of different factors, e.g., whether the outcome would not have happened in the absence of the new strategy.

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