



SOUTH KOREA AS A MIDDLE POWER FOR ASEAN

BY LUCIO BLANCO PITLO III

Lucio Blanco Pitlo III (lucio3.pitlo@gmail.com) is a research fellow at the Asia-Pacific Pathways to Progress Foundation and an Asia analyst focusing on maritime, connectivity and security issues. He is presently pursuing his MA International Affairs at American University in Washington D.C.

Recent challenges in its relations with major powers, the growing importance of Southeast Asia, and South Korea's middle power aspirations provide much context for the ASEAN-Republic of Korea Summit last week in Busan. Commemorating the 30th anniversary of ASEAN-ROK ties, it was the biggest international conference hosted by South Korea under the Moon Jae-in government. While it may not have the size and heft of the great powers, Seoul possesses several advantages that make it a good fit for the 10-member bloc eager to deepen and diversify its partners. Hence, as it implements its New Southern Policy, ASEAN is expected to rank high in Seoul's foreign policy priorities.

Setbacks in its ties with big powers and the desire for autonomy as great power rivalry intensifies are pushing the ROK to turn south. The US-China trade war, historical animosities with Japan, and wrangling over security costs with the US expose Seoul's security and economic dependence on big powers. In 2017, Seoul also got caught in US-China tensions over the deployment of the Terminal High-Altitude Area Defense missile battery with its automotive, tourism and retail industries taking huge hits. As it continues to carve its own space in a tough neighborhood, Seoul is likely to expand its footprint in a bustling and dynamic region to its south where other great powers already have made significant headway.

Southeast Asia's impressive economic performance and potential have attracted outside investors. With over 600 million people, over half of which are labor age with a high literacy rate, a middle class of over [100 million](#), and an economic growth rate of over [5.5%](#) annually, the region is expected to emerge as the world's [fourth](#) largest economy by 2050. No wonder, outside powers place high importance on ties with ASEAN. The US considers it the centerpiece of its Indo-Pacific strategy, while China sees it as the first stop for its 21st Century Maritime Silk Road, an initiative it announced, along with the Asian Infrastructure Investment Bank, in Jakarta in 2013. India transformed its Look East to Act East policy in 2014, while Taiwan launched its New Southbound Policy in 2016.

Seen from this vantage point, President Moon Jae-in's New Southern Policy is a reaffirmation of the growing economic and strategic importance of ASEAN. In fact, Southeast Asia is becoming more important to Seoul than the other way around. While the ROK remained as ASEAN's [fifth](#) largest trading partner and investor last year, ASEAN became the ROK's [second](#) largest trade partner after China. The region has also become the most popular travel destination for Koreans with [over 7 million](#) arrivals compared to [over 2 million](#) ASEAN citizens travelling to Korea. There is also a growing Korean diaspora community in the region, especially in Vietnam and the Philippines. ASEAN has also become the [third](#) largest destination for Korean outbound capital and its [second](#) largest construction market.

ASEAN can be a theater for the ROK to display its middle power aspirations. In ASEAN, it can find a reliable partner opposed to rising protectionism and escalating trade disputes. Seoul has already entered into a free trade agreement (FTA) with ASEAN, as well as with individual members Singapore and Vietnam, and is presently negotiating separate FTAs with the Philippines, Indonesia, and Malaysia. In the last ASEAN summit in Bangkok, ASEAN and South Korea, along with other dialogue partners, also supported finalizing the Regional Comprehensive Economic Cooperation (RCEP) agreement next year.

As the first country to roll out 5G, Seoul can offer a viable alternative to ASEAN countries caught between US-China technology competition with Washington urging allies and partners to ban Chinese technology giant Huawei from their networks. Korean telcom carriers SK Telecom and KT Corp. launched their 5G service last April without Huawei gear. The country can also participate in the growing regional e-commerce, smart cities, and fintech sectors. With its advances in artificial intelligence and smart manufacturing, it can partner with regional countries stepping up investments in STEM (science, engineering, technology and mathematics) education and technical training to enhance their workforce's competitiveness. As major economies increasingly offshore their production to lower costs and better penetrate burgeoning markets, Korean firms can benefit from this.

Beyond economics and technology, the ROK can also be a modest defense partner for ASEAN. Shipbuilding units of Korean conglomerates Hyundai and Daewoo, for instance, secured lucrative contracts to build ships as regional navies beef up their fleets. Hyundai Heavy Industries will deliver two new frigates to Manila next year with a deal for two new corvettes under negotiation. This year, Indonesian state-owned company PT PAL partnered with Daewoo Shipbuilding and Marine Engineering to build an additional three more submarines. Prior to that, the partnership already completed two units in the ROK and one in Indonesia. Last September, a South Korean firm also launched a landing platform dock for Myanmar. From 2015 to 2017, decommissioned Korean corvettes were also transferred to the Philippines and Vietnam. The ROK also supplied fighter aircraft to the Philippines, Indonesia, and Thailand.

Korea's southward push is finding a warm reception in ASEAN. The lack of historical baggage, absence of territorial and maritime disputes with regional countries, and its soft power contribute to this acceptance. Leveraging its outbound capital, technology, and defense sector, the ROK can project its middle power role in an increasingly vital region for the foreseeable future.

PacNet commentaries and responses represent the views of the respective authors. Alternative viewpoints are always welcomed and encouraged. Click [here](#) to request a PacNet subscription.