This book delves deeply and inductively into the climate, developing, yet long nurtured relationship between the Republic of Korea and the Republic of India, and the potential for these two dynamic Asian middle powers to serve and provide their national interests through strengthening strategic cooperation.

Jae Kyun Youn

Executive Director of the Institute for Far Eastern Studies of Kyungnam University

Editor

Lakhvinder Singh

Lakhvinder Singh is visiting professor at the Institute for Far Eastern Studies in Seoul. He received his Master's degree from Peking University in International Affairs (India, and Pakistan) from Jawaharlal Nehru University in New Delhi and a Doctoral degree from Tohoku University in Japan. He received a Senior Research Fellowship from Stanford University in the United States. Before joining the IFS he was affiliated with the Institute of Defence Studies and International Security as well as the Institute of Social Studies Research. He is the recipient of several awards and fellowships, including months from the Korea Foundation, the Asia Foundation, into India Korea 3. He serves as president of the Indian Council for Public Affairs and editor-in-chief of the South Korea, published Asia-Pacific, Taiwan and Southeast Asia Report. He serves as professor at the Indian Council for Public Affairs and editor-in-chief of the South Korea, published Asia-Pacific, Taiwan and Southeast Asia Report. He serves as president of the Indian Council for Public Affairs and editor-in-chief of the South Korea, published Asia-Pacific, Taiwan and Southeast Asia Report.
SOUTH KOREA–INDIA
STRATEGIC COOPERATION
Explorations in Korean Studies
SOUTH KOREA–INDIA
STRATEGIC COOPERATION

Edited by
Lakhvinder Singh

IFES
KYUNGNAK UNIVERSITY PRESS
Contents

Foreword 9

Conratulatory Message 11

Acknowledgements 13

Introduction
   Lakhvinder Singh 15

1 South Korea in India’s ‘Look East’ Matrix
   Harsh V. Pant 25

2 Growing Relations Between India and the Republic of Korea:
   Implications for Asian Security
   Surjit Mansingh 41

3 South Korea’s Security Policy and Its Impact
   on South Korea–India Relations
   Chang Kwoun Park 65

4 Multilateral Cooperation in East Asia and the Importance
   of Leadership Roles of India and Korea
   Rajiv Kumar 85

5 South Korea’s Middle-Power Diplomacy and the Future
   of India–South Korea Strategic Cooperation
   Sukjoon Yoon 115

6 South Korea and India:
   Imperatives for Deeper Strategic Engagement
   Lakhvinder Singh 149

7 India–Korea Strategic Cooperation: An Economic Perspective
   Choong Yong Ahn 185

8 Changing Balance of Forces in East Asia
   and India–Korea Defense Cooperation
   Changhee Park 227
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Author</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>China’s Increasing Military Build-up and India–Korea Strategic Cooperation</td>
<td>Jae Hung Chung</td>
<td>251</td>
</tr>
<tr>
<td>10</td>
<td>Expanding Defense and Strategic Cooperation Between South Korea and India</td>
<td>Nicholas Hamisevicz</td>
<td>283</td>
</tr>
<tr>
<td>11</td>
<td>India–South Korea Strategic Convergence and Security-Defense Cooperation: A Useful Relationship in the Indo–Pacific</td>
<td>David Scott</td>
<td>305</td>
</tr>
</tbody>
</table>

Appendix I: 331
Appendix II: 335
About the Authors: 339
Index: 345
Tables

1. Comparison of the Great Powers’ Capabilities and Power Relations 118
2. Comparison of Middle-Power Attributes and Status Among Selected Nations 122
3. Qualitative Analysis of South Korea’s Middle Power Status 125
4. High-Level Interactions Between South Korea and India 134
5. FTA Trends in Korea 194
6. Korea’s Industrial Vision by Group 196
Foreword

This book delves descriptively and inductively into the vibrant, developing, yet less researched relationship between the Republic of Korea and the Republic of India, and the potential for these two dynamic Asian middle powers to serve and promote their national interests through strengthening strategic cooperation.

The chapters in this volume bring together Indian, Korean, and U.S. perspectives to examine broadly and varyingly external policies of Korea and India and the two countries’ growing bilateral relations—specifically, economic engagement, multilateral and middle-power diplomacy, and security policies and cooperation—and recommend ways in which Seoul and New Delhi can work to deepen the South Korea–India strategic partnership in order to meet the common security challenges they face under a shifting regional order in East Asia, inter alia.

Of course, as with any publication, the customary disclaimer applies: that the views presented and statements made within this volume solely reflect those of the individual author’s and do not represent the views or opinions of the Institute for Far Eastern Studies or its parent institution, Kyungnam University. Any errors, omissions, and oversights within are solely the responsibility of the book’s editor and authors.
To the reader, we hope you will find the contents in this volume—our modest contribution to the study of Korea–India relations—both insightful and stimulating.

Dae-Kyu Yoon
Director
Institute for Far Eastern Studies of Kyungnam University
Korea and India have a long and historical connection, the influence of which can still be felt in the areas of religion, culture, and language. In more modern times, they supported each other in one way or another during their respective independence movements. Freedom fighters in each country drew strength and inspiration from the other’s struggle. The famous Indian poet, Rabinder Nath Tagore, encouraged Korean freedom fighters with his now famous poem, “The Lamp of the East,” on Korea’s ‘golden past.’

For its part, India played an important role in conflict settlement during the Korean War. It was one of the few fellow Asian countries to send a strong medical team to support the UN war effort. Unfortunately, following the war their growing ties were cut short as both became victims of the Cold War conflict and rivalry.

In the post–Cold War era, however, as the ideological divide started to disappear and give way to economic dynamism, both countries once again rediscovered new economic potential in each other. Economic liberalization in India first pushed for closer relations, providing new opportunities for Korean conglomerates to expand their global operations. Korea and India now enjoy one of the fastest growing trade relationships here in Asia.

Recently, Korea and India have become strategic partners. The fast changing balance of power in East Asia pulls these two successful

Congratulatory Message
Asian democracies closer, amidst many challenges and opportunities. Strategic cooperation is now their main focus, as President Park Geun-Hye's visit to India early this year clearly revealed.

I extend my congratulations to Professor Lakhvinder Singh and his team for bringing out this timely book, which focuses on the strategic defense cooperation between our two countries. Rightly called the “Father of India–Korea strategic partnership,” he has played an important role in the evolution of this relationship by writing about the India–Korea strategic partnership, introducing a new element in the ongoing strategic debate. His vision and initiative were instrumental in realizing this book, and in assembling the fine array of scholars—all recognized in their respective fields—who have contributed to its contents.

I sincerely hope this project will further promote the Korea–India strategic defense cooperation.

Dr. Seung-Joo Baek
Vice Minister of National Defense
Republic of Korea
Acknowledgements

Obviously work like this cannot be produced without the support and help of one’s friends and colleagues, so I have a list of people to thank. First of all, I would like to pay tribute to my late teacher, Professor M. L. Sondhi, whose company I miss very much and whose guidance I shall always remember. Without his vision and blessing, his enthusiasm and encouragement, I would not have come to Korea or been inspired to study this beautiful country.

Second on the list is my dear friend Dr. Changsu Kim, whose friendship and support gave me the courage to stay in Korea as long as I have, and whose input on strategic issues played a major role in the evolution of my thoughts on India–Korea cooperation.

I would also like to deeply thank Dr. Jae Kyu Park, President of Kyungnam University, and Dr. Dae-Kyu Yoon, Director of the university’s Institute for Far Eastern Studies (IFES), for their roles in this project. Without the financial support of IFES, this book would not have seen the light of day. I would also like to thank the library staff at IFES for helping me collect some of the data needed for the completion of this project.

I also owe a debt of gratitude to Professor Choong Yong Ahn for his support in helping me complete the book.

Thanks are also due to my close friends, Rajiv Kumar and
Chris Dunn, who assisted me in a variety of ways, and Cheol-Ho Kim, for extending his time and energy in helping me.

Last, but by no means least, I want to thank my family members Minu, Manu, Agam, and my mom for bringing so much love to my life.
Introduction

Lakhvinder Singh

Since the end of the Cold War in the early nineties, the ideological glue which divided the countries of Northeast Asia into two separate, clear cut blocks for sixty years has gradually started to disappear. Even though North Korea is still holding onto its communist ideals, the intensity of the rivalry and enmity that once prevailed during the Cold War is nowhere to be found today. Russia and China, Japan and South Korea, who were on opposing blocs during the Cold War, have developed strong, close economic and political relations with each other. With such ideological tensions gone, the region is emerging as a fast growing epicenter of economic growth.

Unfortunately, the end of ideological rivalry has failed to bring peace and stability in Northeast Asia. Unlike Europe, where the end of the Cold War brought the whole continent together under one umbrella, Northeast Asia is still a divided region. Growing economic dynamism among the regional countries has failed to balance out the political aspirations of important players. There is a growing “trust deficit” between these countries. Tension over historical legacies and the fight for the global commons is steadily increasing. Nobody can say for sure how things will shape up in the future. We will have to
wait and see if economic logic prevails over these historical legacies and tensions, or if political aspirations of individual countries overshadow everything else.

We also need to wait and see how the super powers—namely the United States and China—conduct themselves in this changing post–Cold War environment.

Since the end of World War II, the United States has served as an important player in the region in economic, political and security spheres. For quite some time, it has been the largest trading partner to most of the countries in the region, and has played a major role in bringing most of the countries in the region out of a state of devastation brought forth by World War II and Korean War. It was also the biggest preserver of peace and stability in the area, by deploying more than one hundred thousand military forces to the area during the Cold War. Using a notably hegemonic control, the United States was able to mediate the historical and regional tensions prevailing in the region. Through having strong military alliances with Japan and Korea, the United States not only succeeded in bringing these traditional rivals to the same side of the power struggle during the Cold War, but it also played an important role in bringing these countries closer together both economically and politically. The role played by the United States in maintaining the balance of power is considered to be the main factor behind the sixty years of peace in the region.

Unfortunately, for some time now the United States has been losing the economic and military edge that allowed it to previously play such a large role in Northeast Asia. Now, new players emerging in the region have started to challenge its dominance and hegemony. The United States has been replaced by China as the economic support provider in the region, as China is the largest aid provider and trading partner in Northeast Asia. It has the biggest influence on the economic activities of most these countries. The United States still maintains a
presence, as it has some military forces in the region, but the presence of the military is fast losing any strategic and military value. It has become a classic case of strategic diminishing of return. Apart from some symbolic diplomatic importance, the U.S. military serves very little purpose here. With this in mind, the kind of role the United States will play in the region in the future is of utter strategic importance for both India and Korea; therefore, it is one of the elements of this study.

The rise of China and how it tries to craft a new role for itself is another element that will be discussed. India and Korea both share sea or land borders with China. What China does or does not do is a matter of great strategic significance for both India and Korea. The economic rise of China has changed the underlying economic, social, and military structures in this part of the world. The region no longer looks primarily to European or U.S. markets to sell its products. The role Europe and the United States once served has been taken by China. For the first time in a long time, the region trades more with itself than with outside powers. This has changed the self-perception of the countries within this region. It is said that if the current rate of economic growth of China continues, before the mid-21st century, China will replace the United States as the biggest economic power in the world. The idea of having one of our own as the largest economic power in Asia is both inspiring and frightening. Feelings amongst Asians are mixed.

What will be the implications of this power shift? Both Korea and India have been the beneficiaries of the U.S.-led regional order for many decades. With the influence of the United States waning, both Korea and India are being forced to look for new policy alternatives to protect their national interests. For many political, economic and historical reasons, Korea and India cannot expect the same kind of leadership by China, as was provided by the United States. China, with its own core strategic interests, cannot be expected to provide
the same neutral and moral leadership as the United States. The core focus of this study becomes then, to consider how best two middle powers like India and Korea can serve, protect, and promote their national interests in this changed strategic set up. Can their interests be better served by forging a closer alliance between themselves? What are the limitations and prospects for such an alliance? Can such an alliance be used to promote a multilateral “common good” at both the regional level, and the world at large? What could be the political, economic, and strategic benefits of such an alliance? Should they build and define this alliance with a third party in mind, or should such an alliance develop its own logic, independent of another agent? These questions, among others, are comprehensively examined in this study.

Since the opening of the Indian economy in the early nineties, Korea has been looking at India as an economic opportunity for its fast expanding global conglomerates. It was only until very recently that Korea added a strategic perspective to its India policy. A fast-changing regional landscape has convinced the Korean leaders that if Korea wants to stay in the game, it has to nurture a relationship with the other Asian countries it has ignored or paid very little attention to up until now. The good old days when Korea solely depended on the United States for both economic and strategic support, have come to an end. Now, Korea trades more with its fellow Asian countries than with the United States and Europe combined.

Today both India and Korea are significant middle powers with strong economies and an established role in international institutions. Both are democracies share a strong interests in the rule of international law establishing regional order. The recent joining of hands presents a new paradigm in international relations: two middle level powers trying to build their collaborative identity, and craft a new role for themselves to protect and promote their own vision, instead of blindly
following the power politics polices of traditional superpowers. How far can India and Korea go in building their collaborative identity, and shape the evolving regional institutions?

India and South Korea’s “middle power diplomacy” is the first attempt of its kind in Asia in recent times that poses a challenge to the ongoing great power politics in the region. If this experiment works here in Asia, it can be used as an example for other regions of the world, where smaller countries are struggling to find ways to have a say in the construction of international policies. However, the success of this middle power diplomacy experiment between India and Korea will depend on how successful they are at communicating with each other, and understanding each other’s strategic priorities and objectives. Without identifying such priorities and objectives, the middle power diplomacy of India and Korea could be very problematic, if not impossible altogether. It is time the Indian and Korean political elite started taking note of this strategic imperative and taking steps in this direction. This study gives a comprehensive look at this aspect of the relationship between Korea and India.

To meet the challenges of the fast changing regional order, India has set very clear strategic priorities for itself. Since the early nineties, India has been trying to integrate with East Asia. Economic endeavors, then strategic endeavors constitute the core of India’s new foreign policy. Korea, as an important player in East Asian regional economics and politics, and a strategic partner of India, is expected to help India integrate with the region both economically and politically. Unfortunately, so far Korea has not yet made any policy decisions on supporting India’s efforts to integrate itself in East Asia. Given the thrust of India’s ‘Look East Policy’ to deeply integrate itself economically and politically with the region, Korea should have been among the first counties to embrace such a policy. While most other East Asian countries like Japan and Vietnam, and other countries like the
United States, have come out in the open to support India’s Look East policy, Korea has yet to make a move. What can Korea do for India to meet its strategic objectives and priorities?

Similarly, Korea also has its strategic priorities, where it expects India to help. The possibility of nuclear war on the Korean peninsula is increasing by the day. War on the Korean peninsula would have a devastating effect not only on the Korean economy, but also on the global economy as well. So far, India’s role in peace building on the Korean peninsula has been minimal. Given the fact that India is one of the few Asian countries that has good diplomatic relations with both Koreas, there is a much greater scope for India’s role in peace building on the Korean peninsula. What steps can India take to promote peace building there? As already noted, for India and Korea to take their strategic partnership to a higher level, it is imperative that they realign their strategic priorities and objectives in accordance with each other’s needs. It is only after this, that they will be able to play a more constructive and mutually beneficial role in the emerging new Asian regional order.

Unlike Europe, Asia lacks multilateral peace building institutions and mechanisms. Whatever effort that has been made was made at the sub-regional level; mainly in Southeast Asia. So far, ASEAN has served well in promoting regional cooperation, especially in the narrower economic sphere. However, given the scale of economic and political activity in the region, ASEAN cannot do it alone. There is an urgent need to develop new pan-Asian multilateral institutions which can handle both economic, political, security, and strategic issues.

Unlike other parts of the world where superpowers or stronger regional powers have led multilateral institution building, a unique situation exists in Asia. Efforts to build multilateral institutions have come from smaller countries, rather than from being imposed by powerful and stronger countries in the region. Common colonial
experience, mutual rejection of hegemonic leadership, shared fear of
great powers meddling in the internal affairs of smaller countries, and
the desire for smaller countries to play a larger role in regional affairs
have aided in the creation of the development and growth of multilateral
institution in this part of the world.

During the Cold War years, ASEAN, which was established
under the initiative of Southeast Asian countries, provided a multilateral
platform for regional countries. After the end of the Cold War, ASEAN
increased in membership and linkages, as more Asian countries felt
attracted to Asian regionalism. ASEAN Plus Three (APT) and the East
Asian Summit (EAS) were the results of this process.

The post–Cold War era has further changed the realities in Asia.
The region is becoming too big and complex to manage on narrow sub-
regional levels, like Southeast Asia and Northeast Asia. New leadership
is emerging to take the multilateralism to next level. South Korea,
which has so far confined itself to Northeast Asia, has shown interest
in playing a bigger role at the regional level. In recent years, it has
been proactive in taking the lead in solving the problems facing the
region and the world at large. By successfully holding the G-20 and
Nuclear Safety Summit in Seoul, Korea clearly demonstrated its will
to play a bigger role in regional and global politics. Similarly, since the
opening of its economy in the early nineties, India has been looking
for more ways to play a bigger role as well. As of late, India has been
an active player in ASEAN-led institutions and has played an active
role in the establishment of the East Asia Summit.

Both India and Korea are looking for a new role in accordance
to their newly acquired economic status. Problems and prospects of
Korea joining hands with India in building a new pan-Asian regional
institution to tackle regional security and development issues are
detailed in this study.

Multilateral cooperation is not the only option both countries
are exploring to strengthen their ties. Both counties are finding each other to be naturally fit for bilateral agreements. While North Korea is still considered the main threat to South Korea’s existence, the growing military power of China has also started causing some concern among Korean political and military leaders. Traditionally, Korea’s institutional defense is based on three pillars. The first pillar is to develop stronger and more robust ties with the United States. This has, up until now, served Korea well and has succeeded in keeping peace on the Korean peninsula. However, with the changing balance of power in the region, Korea is also looking toward other military powers in the region. The second pillar is the strengthening of relations with China’s PLA, as part of a larger initiative to improve relations with China. The third pillar of Korea’s defense strategy is to modernize its own military forces to avoid too much dependence on other superpowers in the case of a local crisis on the Korean peninsula.

To further avoid dependence on superpowers, Korea has been exploring ways to strengthening ties with other militaries in the region. Since the signing of the India–Korea strategic partnership, both countries have signed a number of agreements to strengthen these ties. This study attempts to identify some important areas where significant potential exists to take this relationship to the next level.

Developing a strategic perspective on bilateral India–Korea economic cooperation is another objective of this study. So far both countries have looked at economic interaction with each other from a purely economic perspective. How can their growing economic relations serve larger strategic and political interests? Lately Korea’s trade dependence on China has been growing rapidly. Any disruption of this trade flow, be it for political or military reasons for even a small period of time, can severely impact Korea’s economic status. Currently nearly 20 percent of Korea’s trade is with China. This level of dependence could prove to be quite harmful in the case of a crisis in China–Korea
relations. How can Korea diversify some of its trade ties, particularly with India, to avoid being dependent on any one country like China? Similarly how can India benefit from closer ties with Korea? This study is not just about the potential of India–Korea cooperation. It also examines the limits of this partnership. Korea and India have very different geographic and strategic set ups. They are operating in very different circumstances. Geographical, historical, economic and strategic factors restricting this partnership have been examined and analyzed in this study as well.

At the end of the day, the future of the India–Korea strategic partnership will depend on how both countries continue to measure each other in their respective strategic calculations. Current changing circumstances have brought these two countries together like never before. Strategic paradigms in the region are under constant change. If the political leadership of these countries do not take advantage of these optimum circumstances, the chance may never come again. Today, a golden opportunity exists to take this relationship to the next level. We hope the current leadership in India and Korea will rise to the occasion.
Despite its historical and cultural links with East and Southeast Asia, India in its post-independence foreign policy tended to ignore the region. The structural constraints of the Cold War proved too formidable despite India’s geographic proximity to the East Asian region. The end of the Cold War really brought East Asia back to the forefront of India’s foreign policy horizons. The disintegration of the Soviet Union radically transformed the structure of the then prevailing international system and brought to the fore new challenges and opportunities for countries like India. India was forced to reorient its approach toward international affairs in general and toward East Asia in particular. The government of P.V. Narasimha Rao launched its “Look East” policy in the early 1990s explicitly to initiate Delhi’s reengagement with East Asia.

Indian engagement of East Asia in the post–Cold War era has assumed significant proportions and remains a top foreign policy priority for the Indian leadership. Since 1995, India has been a full dialogue partner of the Association of South East Asian Nations (ASEAN), a member of the ASEAN Regional Forum, the regional security forum, since 1996, and a founding member of the East Asian Summit launched in December 2005. India is also a summit partner of ASEAN on par with China, Japan, and South Korea since 2002.
Over the years, India has also cultivated extensive economic and trade linkages with various countries in the region, paralleling a gradual strengthening of security ties. Indian Prime Minister Manmohan Singh made it clear that his government’s foreign-policy priority will continue to be East and Southeast Asia, which are poised for sustained growth in the twenty-first century.

India and ASEAN marked their twenty year partnership with a commemorative summit in New Delhi in December 2012. The significance that the ASEAN members are increasingly according India can be gauged from the presence of the prime ministers of Singapore, Cambodia, Malaysia, and Vietnam, the presidents of Myanmar and Indonesia, and the vice president of Philippines in India for the India–ASEAN summit, the first of its kind. The highlight of the summit was the conclusion of talks on a free trade agreement (FTA) on services and investment which is expected to increase bilateral trade to $200 billion by 2022 and lead to talks on the Regional Comprehensive Economic Partnership which also includes Australia, China, Japan, South Korea and New Zealand. As Prime Minister Manmohan Singh underlined, together India and the AESAN states “constitute a community of 1.8 billion people, representing one-fourth of humanity, with a combined GDP of $3.8 trillion” and therefore “it is only natural that India should attach the highest priority to its relationship with ASEAN” (Singh 2010).

India was admitted as sectoral dialogue partner of the ASEAN in 1992 and went on to become a full-fledged dialogue partner in 1996. There has been a significant increase in India–ASEAN trade from $42 billion in 2008 to $80 billion last year. This trade relationship will get a further boost with the two signing the FTA on services and investment. The FTA on goods was signed in 2010 despite some significant opposition in India. Since its implementation last year India has been keen on expanding trade in services in order to leverage its
own strengths. The relationship is now officially ‘strategic’ with the two sides deciding to elevate their ties from a mere dialogue partnership.

The China Challenge

India’s efforts to make itself relevant to the region come at a time of great turmoil in the Asian strategic landscape. Events in recent years have underlined China’s aggressive stance against rivals and U.S. allies in Asia. More tension may come. With its political and economic rise, Beijing has started trying to dictate the boundaries of acceptable behavior to its neighbors. As a result, regional states have already begun reassessing their strategies, and a loose anti-China balancing coalition is emerging. India’s role becomes critical in such an evolving balance of power. As Singapore’s elder-statesman Lee Kuan Yew has argued, India should be “part of the Southeast Asia balance of forces” and “a counterweight [to China] in the Indian Ocean” (Suryanarayana 2011).

The Indian policy trajectory toward China is evolving as India starts to pursue a policy of internal and external balancing more forcefully in an attempt to protect its core interests. India’s government is trying to fashion an effective policy response to the rise of China at a time of great regional and global turbulence. Though it is unclear if there is a larger strategic framework shaping India’s China policy, India’s approach toward China is undergoing a transformation, the full consequences of which will only be visible a few years down the line.

While there has always been a range of opinions in India on how best to deal with China, a consensus seems to be evolving among the highest echelons of Indian military planners and policymakers (Malik 2013). For a long time, Indian defense officials have been
warning their government in blunt terms about the growing disparity
between the two Asian powers. The Indian naval chief had warned
that India neither has “the capability nor the intention to match China
force for force” in military terms, while the former Indian air chief
suggested that China posed more of a threat to India than does Pakistan.
But the political leadership in India continued to act on the assumption
that Beijing is not a short-term threat to India. Rather, it needed to be
watched over the long term. However, that assessment seems to be
undergoing a change. After trying to ignore significant differences
with China, Indian decision makers are finally acknowledging that
the relationship between the countries is becoming increasingly more
contentious. After trying to push significant divergences with China
under the carpet for years, Indian decision makers are acknowledging
that the relationship with China is becoming increasingly contentious.
Prime Minister Manmohan Singh of India has suggested that “China
would like to have a foothold in South Asia and we have to reflect on
this reality . . . . It’s important to be prepared” (Indian Express 2010a).
The Indian defense minister has argued that China’s increasing
assertiveness is a “serious threat” (Pandit 2010). And India’s former
National Security Advisor and special envoy to China, M. K. Narayanan,
has openly accused Chinese hackers of attacking his website, as well
as those of other Indian government departments (Indian Express
2010b).

An elite consensus is growing in India that China’s rise is posing
problems for the country. “We are friends, not rivals,” said the former
Chinese premier in India (Yardley 2010). But an increasing number
of Indians now see China as a competitor, if not a rival. A 2010 Pew
poll suggested that only 34 percent of Indians held a favorable view
of China, with four in ten viewing their neighbor as a “very serious
threat” (Pew Global Attitudes Project 2010). More damaging is the
perception gaining ground that among the major global powers,
China is the only one that does not accept India as a rising global player that needs to be accommodated in the global political order. The discord between the two countries remains deep-seated, and their increasing economic strength and rising geopolitical standing has only underlined their rapidly growing ambitions (Pant 2010). Though it is not entirely clear if China has well-defined external policy objectives vis-à-vis India, Beijing’s means, both economic and military, to pursue its goals are greater now than they have been than at any time in the recent past. In response, a process of military consolidation and build-up of key external partnerships—with an eye on China—is underway in India. India’s “Look East” policy is part of this larger dynamic. As New Delhi has reached out to its partners in South and Southeast Asia, the regional states have also shown an unprecedented reciprocal interest in Indian foreign policy priorities.

**Changing Balance of Power in the Asia–Pacific**

It is almost conventional wisdom that the center of gravity of global politics is shifting from the Atlantic to the Pacific in recent years with the rise of China and India, gradual assertion by Japan of its military profile, and a significant shift in the U.S. global force posture in favor of the Asia–Pacific. The world seems to be entering into a “post-American” era, and the international system is trying to come to grips with the rise of China and all that it implies for global peace and stability. While realizing fully well that it would take China decades to seriously compete with the United States for true global hegemony, China has focused its strategic energies on Asia. Its foreign policy is aimed at enhancing its economic and military prowess to achieve regional hegemony in Asia. China’s emphasis on projecting its rise as peaceful is aimed at allaying the concerns of its neighbors lest they try
to counterbalance its growing influence. Its readiness to negotiate with other regional states and to be an economically “responsible” power is also a signal to other states that there are greater benefits in bandwagoning on China’s growing regional weight rather than opposing its rise in any manner. China realizes that it has thrived because it devotes itself to economic development while letting the U.S. police the region and the world. Even as it decries American hegemony, its leaders envision Pax Americana extending well into the twenty-first century, at least until China becomes a middle-class society and, if present trends continue, the world’s largest economy.

While the United States remains as predominant power in the Asia–Pacific, the rise of China is reshaping the strategic environment in the region. China, India and Japan have long been viewed as the states with a potential for great power status with inherent capacities to influence international economic, political and military systems but, it is only in the last few years that these projections have come closer to being realized. For more than a century it was Japan that dominated Asia first as an imperial power and more recently as the first Asian economy to achieve western levels of economic development. It is China’s turn now which while declaring that it will be focusing on internal socioeconomic development for the next decade or so, is actively pursuing policies of preventing the rise of other regional powers such as India and Japan, or at least to limit their development relative to itself. China’s resurgence is altering the power balance across the Asia–Pacific region and in the absence of effective regional institutions, the region is now at least as volatile as during the Cold War.

Washington has backed the notion of a more assertive Japan, viewing Tokyo as an increasingly important partner at a time of dwindling support for the administration’s policies among U.S. allies. The United States faces a prospect of an emerging power transition
involving China and the most consequential challenge for U.S. foreign policy in the coming decades will be to deal with this prospect. With this in mind, the United States seems to be pursuing a policy of engaging China while simultaneously investing in increasing the power of other states located along China’s periphery. This has involved not only reinvigorating its existing alliances with Japan and South Korea, but also reaching out to new partners such as India. Japan and the United States signed a pact to enhance cooperation on a ballistic missile defense system in 2004 that is due to be fully operational by 2011. The United States has also encouraged its regional allies including Japan and South Korea to forge close political and strategic ties with neighboring states such as India and Australia.

Meanwhile, India is also gearing up to face China. India and China are two major powers in Asia with global aspirations and some significant conflicting interests. As a result, some amount of friction in their bilateral relationship is inevitable. The geopolitical reality of Asia makes sure that it will be extremely difficult, if not impossible, for “Hindi-Chini” to be “bhai-bhai” (brothers) in the foreseeable future. If India and China continue to rise in the next few years, a security competition between the two regional giants will be all but inevitable. And if India is serious about its desire to emerge as a major global power, then it will have to tackle the challenge of China’s rise. It is to tackle this challenge that Indian foreign policy is gearing up with its new approach towards the United States and Japan.

India is now charting a new course in its foreign policy by getting closer to the United States in recent years. If India is indeed a “swing state” in the international system, then it seems to have swung considerably towards the United States. The demise of the Soviet Union liberated Indian and U.S. attitudes toward each other from the structural confines of Cold War realities. As India pursued economic reforms and moved toward global integration, it was clear that the
United States and India will have to find a modus vivendi for a deeper engagement with each other. The George W. Bush administration has transformed the nature of the U.S.–India partnership by advocating civilian nuclear energy cooperation with India, thereby incorporating India into the global nuclear order as well as declaring that the United States is committed to encouraging the growth of India as a great power.

India’s growing closeness to the United States is also making regional states like South Korea take India seriously, and both are well aware of the Chinese strategy to contain the rise of its two most-likely challengers in the region. Both Seoul and New Delhi seek to hedge against Chinese influence by trying to create stronger relations with other democracies in Asia. Despite significant economic and trade ties between China and South Korea, political tensions have increased in recent years. The goal of the New Delhi–Seoul cooperation is to ensure that China becomes less threatening and ultimately more cooperative, resulting in a more stable balance of power in Asia.

**India and South Korea: Newfound Convergence**

After ignoring each other for years, India and South Korea are beginning to recognize the importance of tighter ties. Despite establishing diplomatic ties in 1973, the two nations hardly figured in each other’s foreign policy calculus. Former Indian Prime Minister P. V. Narasimha Rao paid a historic visit to South Korea in 1993, encouraging greater economic cooperation and inviting Korean investors to invest in India to help in India’s economic rejuvenation after years of economic stagnation. The resulting courtship was highlighted by then South Korean president Lee Myung-Bak’s state visit to New Delhi in January 2010, when he was the chief guest at the Republic Day celebrations. During
his stay, New Delhi and Seoul decided to elevate their bilateral relationship to a “strategic partnership” (Sinha 2010). Prime Minister Manmohan Singh reciprocated by visiting South Korea in 2012.

Despite pursuing a “Look East” policy since the early 1990s, New Delhi failed to generate momentum in ties with South Korea. South Korean businesses did not begin to view India as an important destination for investments until after the 1997 financial crisis. South Korea still remained focused on China as an economic partner and has only recently made India a major economic and political priority. With a renewed push from both sides, things have improved dramatically on the economic front over the past few years. There is now an annual dialogue on foreign policy and security, allowing the two nations to share their views on regional and global security issues.

The visit of former Indian President A. P. J. Abdul Kalam to South Korea in 2006 led to the signing of a Comprehensive Economic Partnership Agreement (CEPA) that came into force in January 2010. Even as India–Japan trade stands steady at around $11 billion annually, India–South Korea trade grew to more than $15 billion in 2012, with the two sides aiming to double it by 2014. A joint committee has been instituted at the level of commerce/trade ministers to regularly review the working of CEPA and upgrade it as and when required. The first meeting of the joint committee took place in Delhi on January 20, 2011. During the summit meeting in March 2012, a new bilateral trade target of $40 billion by 2015 was set. South Korean firms are increasing their brand presence in India, and the Indian Chamber of Commerce has also been established in Korea.

Linkages with the Indian economy can help Korea grow at far higher rates than it is currently experiencing. Among other opportunities, Korean firms are looking to participate in India’s plans to develop its infrastructure sector. In the IT sector, too, South Korea’s competitive advantage in hardware complements India’s software
profile. India’s dynamic fast-growing economy makes it natural economic partner for South Korea, often referred to as the most innovative country in the world. The focus of cooperation will likely be in high-priority areas like IT, civilian space, knowledge-based industries, high technology, energy, automobiles and defense. South Korea is currently the fifth largest source of investment in India.

Major Korean conglomerates operating in India are Samsung, Hyundai Motors and LG. Together these companies have made significant investments into India, estimated at $2.6 billion (as of September 2012). Indian investments in ROK have already exceeded $1 billion. Novelis, a Hindalco subsidiary, acquired a Korean aluminum company by investing about $600 million. Mahindra & Mahindra acquired a majority stake in SsangYong Motors, the country’s fourth largest auto manufacturer, in March 2011, with an investment of about $470 million. Tata Motors acquired Daewoo Commercial Vehicle Company for $102 million in March 2004. KOTRA (Korea Trade Investment Promotion Agency) has signed an agreement to establish a 250-acre Korean Special Economic Zone in the Indian state of Rajasthan.

While economic ties between India and South Korea have been diversifying across various sectors, defense cooperation between the two states has also gathered momentum, reflecting the rapid changes in the Asia–Pacific region’s balance of power. In 2005, India and South Korea inked a Memorandum of Understanding (MoU) on Cooperation in Defense, Industry and Logistics, which was followed in 2006 by another MoU on cooperation between the two countries’ coast guards. A MoU on exchange of defense-related experience and information, and for promoting cooperation in humanitarian assistance and international peacekeeping activities was signed in 2005 along with a MoU to identify futuristic defense technology areas of mutual interest and the undertaking of research and development works in both countries. Co-development and co-production of defense products (marine sys-
tems, electronics and intelligent systems) was identified as a priority task with Indian industry through the ministry of defense’s Defense Research and Development Organisation (DRDO). After purchasing eight warships from South Korea in 2012, India’s Ministry of Defense has decided to award a $1.2 billion contract to South Korea’s Kangnam Corporation for eight mine countermeasures vessels (MCMV).

South Korea is one of the world’s leaders in naval shipbuilding technology, and India would like to tap into South Korean naval capabilities to augment its own. As a result, naval cooperation is rapidly emerging as a central feature of bilateral defense cooperation, with the two navies cooperating in anti-piracy operations in the Indian Ocean region and the Gulf of Aden. Both states also share a strong interest in protecting the sea lines of communication in the Indian Ocean region. Maritime security is a key interest of both nations in order to secure vital energy supplies that pass through the Indian Ocean.

Other sectors of convergence include nuclear energy and space. As a member of the Nuclear Suppliers Group, South Korea supported the waiver granted to India at the 45-nation grouping’s September 2008 meeting (Pant 2011). This then led to India signing a civilian nuclear energy cooperation agreement with South Korea in 2011. Space cooperation between the two states is also growing. India launched South Korea’s KITSAT-3 satellite in 1999 and has now invited Seoul to join the Indian expedition to the moon—Chnadrayaan-2.

People-to-people contacts are also strengthening. Seoul has named a famous Bollywood actor, Shah Rukh Khan, as the Goodwill Ambassador of South Korea for its relations with India. A trilateral dialogue has been launched, aiming, the think-tanks of South Korea, India and Japan to articulate common policy responses to regional and global issues.

The China factor in India–South Korea ties cannot be underes-
timated. At a time when India’s tensions with China have become more manifest, there are signs that South Korea, too, is reevaluating its ties with China. In recent years, China could count on South Korea as a friend in the region—a cultural admirer, with residual memories of the close political and cultural ties that existed during the Ming dynasty times. For its part, Seoul counted on Beijing to help stabilize the situation on the Korean peninsula. South Korea has become China’s largest trading partner in the region and has been hospitable to Chinese visits.

Today, however, Seoul has grown disillusioned with Beijing’s shielding of North Korea from the global outrage over the ROKS Cheonan incident (Choe 2010). An international investigation convened by South Korea concluded that the sinking of the warship, which killed forty-six South Korean sailors in March 2010, was likely the result of a torpedo fired by a North Korean submarine. Instead of berating Pyongyang, China watered down a UN Security Council (UNSC) presidential statement that, while condemning the incident, failed to hold North Korea responsible. As a result, no punishment has been meted out to North Korea for its brinkmanship. China’s overly cautious response to continuing North Korean nuclear and missile provocations has also not helped. China’s declaration in November 2013 of a new Air Defense Identification Zone (ADIZ) has also raised tensions between Seoul and Beijing as China’s new ADIZ also overlaps with about 3,000 square kilometers of South Korea’s own ADIZ. As if in response, Japan has decided to recognize South Korean sovereignty over islets known as Dokdo, which the Japanese call Takeshima. In return, the South Korea government has promised to suspend all official efforts to change the name of the sea in which Dokdo is located from “Sea of Japan” to “East Sea” (Asahi Shimbun 2014) Russia, South Korea and the United States have also decided to recognize Japanese sovereignty over the Senkaku Islands, which
China and the government of Taiwan both claim.

As they carefully assess the evolving strategic environment in the Asia–Pacific region, New Delhi and Seoul need to advance their political ties so that a mutually beneficial and long-term partnership can evolve between the two sides. The resulting relationship could be as important for greater regional stability as it is for Indian and South Korean national interests.

**Conclusion**

India is emerging as a serious player in the Asian strategic landscape as smaller states in East Asia reach out to it for trade, diplomacy, and potentially as a key regional balancer. The “Look East” policy, initiated by one of the most visionary of India’s prime ministers, P. V. Narasimha Rao, is now the cornerstone of India’s engagement with the world’s most economically dynamic region. States in South and Southeast Asia also remain keen on a more pro-active Indian role in the region. At the broader regional level, India continues to make a strong case for its growing relevance in the East Asian regional security and economic architecture with greater urgency than ever before. In this broader context, India’s relationship with South Korea has assumed a strategic dimension that few could have envisioned just a few years ago. This partnership will continue to gain strength due to the larger structural changes in the Asia–Pacific strategic realities.

China is too big and too powerful to be ignored by the regional states. But the states in China’s vicinity are now seeking to expand their strategic space by reaching out to other regional and global powers. Smaller states in the region are now looking to India to act as a balancer in view of growing Chinese influence and the anticipated U.S. retrenchment from the region in the near future. Larger states see
India as an attractive engine for regional growth. To live up to its full potential and meet the region’s expectations, India must do a more convincing job of emerging as a credible strategic partner in the region. Neither India nor the regional states in East Asia have incentive to define their relationship in opposition to China. But they are certainly interested in leveraging their ties with other states to gain benefits from China and bring a semblance of equality in their relationships. Great power politics in the region have only just begun.

The rupture in China–ASEAN ties over the last two years has also provided India with a key opening in the region to underline its credentials as a responsible regional stakeholder. On the one hand, China’s aggressive pursuit of its territorial claims has aggravated regional tensions. On the other, despite the Barack Obama administration’s famous ‘pivot’ toward the Asia–Pacific, there are doubts about the ability of Washington to manage regional tensions effectively. India’s proximity to the region and its growing capabilities make it a natural partner of most states in Southeast Asia. It is not without significance that the vision document released at the India–ASEAN 2012 summit talks of promoting maritime cooperation and “strengthening cooperation to ensure maritime security and freedom of navigation, and safety of sea lanes of communication for unfettered movement of trade in accordance with international law” (AESAN 2012). New Delhi has been reiterating its commitment to not only supporting freedom of navigation and right of passage, but also access to resources in accordance with accepted principles of international law and practice.

New Delhi needs to assure the regional states of its reliability not only as an economic and political partner, but also as a security provider. As the regional balance of power in Asia changes, and as the very coherence of the ASEAN comes under question, there will be new demands on India. The rapid rise of China in Asia and beyond is the main pivot even as Delhi seeks to expand economic integration
and interdependence with the region. India is also developing strong security linkages with the region and trying to actively promote and participate in regional and multilateral initiatives. New Delhi’s ambitious policy in East and Southeast Asia is aimed at significantly increasing its regional profile. Smaller states in the region are now looking to India to act as a balancer in view of China’s growing influence and the United States’ anticipated retrenchment from the region in the near future. Larger states see this as an attractive engine for regional growth. It remains to be seen if India can indeed live up to its full potential, as well as to the region’s expectations.

References


Asahi Shimbun. 2014. “Tokyo, Seoul still have long way to go to mend fences.” March 27.


The rapid growth of economic and political relations between India and Korea over the last twenty years may surprise many who saw little contact between them in the modern era. India opened diplomatic relations with the Republic of Korea (ROK), as well as with the Democratic Republic of Korea (DPRK), only in December 1973, upgrading consular relations established with both parts of the partitioned Korean peninsula a decade earlier. However, the ROK was among the first economic dynamos in Asia to recognize India’s potential as an emerging market and rising power, and sought engagement with it in the 1980s, and much more so in the 1990s and after. And New Delhi too saw that the formality of ‘balanced relations’ with North and South Korea during the Cold War must give way to economic and political realities that called for greater interaction with Seoul than with Pyongyang.

Prime Minister Narasimha Rao announced a “Look East” policy for India in 1991 and sought greater interaction with East Asia even as he initiated economic reforms at home. Rao visited Seoul in September 1993, where he met leading members of Korea’s influential chaebol (business conglomerate) and invited them to invest in India. They responded well, especially after being hit by the Asian financial crisis.
of 1997. Developments since then are discussed below with emphasis on January 26, 2010, when Korean president Lee Myung-Bak was honored as the chief guest at India’s Republic Day celebrations. High-level exchanges and major agreements established first a Comprehensive Economic Partnership Agreement (CEPA) between the two countries, India’s first free trade agreement with an Organization for Economic Cooperation and Development (OECD) member, and Korea’s first free trade agreement with one of the BRICS (Brazil, Russia, India, China and South Africa) group of emerging markets. Then a Strategic Partnership Agreement between India and Korea has entailed defense cooperation as well as wide ranging talks. A civil nuclear cooperation agreement also has been signed.

The implications of growing bilateral Indo–ROK ties for Asian security are more difficult to assess since there is more than one interpretation of the terms ‘Asian’ and ‘security,’ and bilateral discussions on defense cooperation are very recent. An attempt will be made to do so by taking into account the core interests of both India and the ROK that do not clash, and their strategic needs and assets, which are complimentary. There are enough positive indicators to justify the optimistic notes struck by commentators of the relationship, especially respective ambassadors engaged in strengthening ties. The linking of the largest state of South Asia with a small but dynamic state of Northeast Asia in frequent high-level exchanges and regular multi-level talks on a broad spectrum of cooperation has far reaching implications for Asian security; more so in the context of the United States’ recent policy of ‘rebalancing’ toward Asia and its excellent relations with both India and Korea.
A unified Korean peninsula with an ancient culture greatly influenced by Buddhism as well as ancient Indian contacts, was once known as the “Hermit Kingdom” under the rule of the Joseon Dynasty in the nineteenth century. Korea suffered attacks from China, Japan, and Western powers who were seeking both influence and the opening up of ports to foreign trade. After Japan militarily defeated China, then Russia, and allied itself with Britain, it made Korea a Japanese Protectorate in 1905 and formally annexed it in 1910. Mass based, non-violent rallies for independence in 1919 and 1929—based somewhat on the Indian model led by M.K. Gandhi—were ruthlessly suppressed, but evoked sympathy and praise from prominent Indians, including Rabindranath Tagore. His verse on Korea as a “lamp bearer of Asia” continues to be quoted lovingly in the present day. Aspirant nationalist leaders of Korea sought sanctuary and support abroad, most notably Kim Il Sung in the Soviet Union and others, including Syngman Rhee, in the United States. With the end of World War II, each consolidated his hold in the north and south, respectively. The defeated Japanese Army had surrendered to the Soviets in the north and to the Americans in the south of the Korean peninsula as earlier agreed to by U.S. President Franklin Roosevelt and Soviet leader Joseph Stalin. Since leaders of the two halves of Korea could not agree on terms for their paramount goal of reunification, the ‘Korean Question’ was referred to the newly formed United Nations and a Temporary Commission established under the chairmanship of India’s representative K.P.S. Menon. Despite India’s strongly articulated opposition to partition, Korea was divided along the 38th parallel in 1948 by resolution of the UN General Assembly and Soviet–U.S. agreement. Elections were held only in South Korea, and its government recognized as lawful by the UN, while North Korea also declared its sovereign independence.
Korea was thus a victim of the American–Soviet rivalry even before it became the first Asian site of a hot flash in the Cold War with the outbreak of the Korean War in June 1950. India contributed a unit of its 60th Parachute Field Ambulance to the United Nations forces assembled under U.S. command to counter North Korean forces invading South Korea but no combat troops. The ROK continues to honor and praise the heroic work of the Indian ambulance unit during the Korean War (Ministry of National Defense 1973). Indian Prime Minister Jawaharlal Nehru was appalled by the outbreak of a war in Asia that could easily spread, and the dangerous military confrontation between the United States backing the South and the newly formed Peoples Republic of China (PRC) backing the North with thousands of armed “volunteers” after December 1950. Nehru’s passion for peace infused Indian diplomacy, especially in the United Nations, where other Asian and Arab members supported it, directed toward bringing an end to the military conflict raging up and down the peninsula at a painfully high price (Hunt and Levine 2012).

Despite a clear military stalemate reached by June 1951, negotiations between the belligerents were stalled by South Korean inflexibility, Stalin’s silent rigidity, and American difficulties in even talking to those they called “Red Chinese,” much less recognizing the PRC.

Australia, Britain and Canada along with India urged a flexible approach to China in the interests of ending the war and establishing channels of communication across the ideological divide of the Cold War, but had no effect on the increasing stridency of U.S. anti-communism. A Korean armistice being discussed at Panmunjom was held

---

1 People on the Korean peninsula lost 1.2 million homes, over 25,000 industrial plants, 9,000 schools, and well over 1,000 clinics and hospitals. Some three million Korean soldiers and civilians were killed, wounded or missing. 152,000 Chinese soldiers and 36,516 American plus 4,141 other United Nations combatants and 299 Soviet personnel died as well (Hunt & Levine 2012, 172).
up for fifteen months on the “astonishing prisoners of war (POWs) issue” or the fate of 12,000 soldiers from the UN side and approximately 132,000 North Koreans and Chinese (Foot 1990, x). The United States insisted on applying the principle of voluntary repatriation exclusively, though the Geneva Convention of 1950 cited by Beijing and Moscow stipulated immediate releases and repatriation of POWs to countries of origin on the cessation of hostilities. India offered a compromise solution of “non-forceful repatriation” that was eventually accepted by both sides after the election of President Dwight Eisenhower in the United States, and the death of Stalin in the USSR opened opportunities for a Korean ceasefire in 1953.

The UN established a five member Neutral Nations Repatriation Commission (NNRC) to be chaired by India. In this first initiative in international peacekeeping that was followed by many more in the decades to follow, India sent a lightly armed custodian force of less than 5,000 men to take charge of the POWs on a narrow demilitarized zone (DMZ) and arrange for explanations to be given them so as to allow for free choice on where to go upon release. Though the courage and conduct of the Indian military and the civilian representatives in Korea earned universal and fulsome praise on all sides they were not, in fact, able to carry out their dangerous tasks to completion “owing to conditions beyond our control” as stated by Lt. General K. S. Thimayya, Chairman of the NNRC (Heimsath and Mansingh 1971, 73). The conditions he referred to included strong-armed organizations intimidating prisoners inside the camps, and the open hostility of Syngman Rhee’s government to the process. Rhee unilaterally freed all Korean POWs, leaving about 75,000 Chinese to be persuaded to go home or not. The NNRC could not extend the period of time mandated for explanations and ultimately dissolved itself in February 1954, releasing the POWs to make their own choices. The majority of Chinese POWs probably reached Taiwan; the South Koreans and
Americans went home except for a few communist sympathizers who went to China. Perhaps half a dozen or more North Koreans decided to go to India and lived there for many years.

Despite its intimate connection with facilitating the Korean armistice, nonaligned India was excluded by the United States from the international conference on Korea convened in Geneva in 1954 and had no dealings with either half of Korea for nearly ten years. To this day the Korean peninsula remains divided by a DMZ across its waist roughly following the 38th parallel. Both the ROK and the DPRK initially were heavily armed authoritarian states. Syngman Rhee was overthrown by student-led revolts in 1960 and soon replaced by General Park Chung-Hee. In the north, Kim Il Sung skillfully played off the Soviet Union and China for his own dynastic advantage without loosening control, now in the hands of his grandson Kim Jong Un.

In contrast, India established a parliamentary democracy with peaceful changes of government through regular elections. India’s foreign policy was characterized as non-alignment. This came to express India’s strategic autonomy and refusal to join either bloc in the Cold War, its opposition to unilateral uses of military power by great powers, and also indicated the collective power of developing countries in an international system weighted against them. A Non-aligned Movement (NAM) was born at a 1961 conference held in Belgrade; along with most newly independent states the DPRK later joined NAM and long claimed diplomatic solidarity with India on that basis. The ROK followed a different path, relying for its national security in defense as well as economics on a 1954 Mutual Security Treaty with the United States that gave it free access to the huge American market as well as the protection of thousands of well-armed American troops stationed in the DMZ and inside Korea.
A Budding Period

When General Park took control of the ROK in 1961, it was ranked among the poorest countries in the world. His ‘guided capitalism’ and ‘economy first’ policies based on export-led industrialization had rapid results in urbanization, education, and impressive rates of economic growth, and industrialization. One early profitable industry was the manufacture of wigs from human hair imported from India and Indonesia and exported to the United States. Korean industry soon moved from textiles and light consumer goods into steel, heavy machinery, durable consumer goods, petrochemicals, automobiles and shipbuilding. An indigenous defense industry was developed when Korea feared U.S. “abandonment” in pursuit of rapprochement with China in the 1970s and when U.S. President Jimmy Carter talked about reducing the number of American forces in Korea. As an ‘Asian Tiger,’ Korea became a rival to Japan in the international market even as its polity gradually democratized in the 1980s and the two East Asian allies of the United States normalized their relations with each other. Korean industry was organized into conglomerates that enjoyed considerable political influence and looked for markets beyond a small domestic base. Korea’s rapidly growing GDP and greatly improved social indicators came to qualify it as a ‘middle income’ country, with membership since 1995 of the OECD first formed in 1948 for European countries committed to democracy and market economy and subsequently expanded.

India’s leaders presiding over an increasingly autarkic economic system showed little interest in the Korean model of export-led development much praised by officials from the World Bank, even after it established formal consular relations with both Koreas in 1962 raised to an ambassadorial level in 1973. Weaknesses in the Indian economy became manifest in the 1970s but advocates of reform were outnum-bered by those who were suspicious of ‘capitalist’ or market policies
and less than respectful of countries such as the ROK seen as U.S. ‘clients.’ Moreover, while Japan’s image in India was high as an early and successful modernizer as well as a generous donor of official development assistance, Korea’s recent achievements were relatively unknown to inward looking Indians.

Prime Minister Indira Gandhi, however, was essentially a realist; she instructed India’s outgoing ambassador to Seoul in 1982 to push relations as far as they could go, because India need not maintain ‘balanced relations’ with the two Koreas. The limits to the Indo–ROK relationship at the time were set not only by Cold War international politics that apparently limited diplomatic interest and interaction, but by differences in economic policies and structures. Korea’s economic growth was fuelled by export industries and easy access to foreign markets. India’s strict economic regulations on production and trade were very slow to change. Thus, though India and Korea agreed to accord each other Most Favored Nation status at the time of establishing diplomatic relations in 1973 the volume and value of their two-way trade remained very low; below $310 million in 1981 (Park 2003). Korea was constantly looking for new markets and sent two buying missions to India in 1988 to explore possibilities of establishing relations with reputed Indian companies. The president of POSCO, Korea’s leading producer of steel, agreed to a long-term arrangement for the import of iron ore from India. Trade slowly increased but Indian exports were predominantly low-value primary commodities so that the balance of trade was not in its favor. Nor was the logical next step toward Korean investment in India for the manufacture of consumer goods and machinery taken at this time, though it was a common phenomenon in Southeast Asia. The Indian automobile market, for example, was restricted by high tariffs, price controls, dominance of the domestic companies Premier and Hindustan, and official perceptions of cars as unnecessary ‘luxury items.’ With the early backing of Prime
Minister Indira Gandhi and her son Sanjay, Suzuki of Japan established a line of affordable small cars named “Maruti” in the 1970s–1980s that have proved to be enormously popular in India. Hyundai of Korea was eager to follow suit but could enter only during the 1990s. Since then, and with its establishment of factories in Chennai, Hyundai has grown to become India’s second largest automobile producer and a household name. Hyundai India also exports automobiles to more than 100 other countries at the present time.

The Flowering

India’s severe balance of payments crisis in 1991 enabled the newly elected Congress-led government of Narasimha Rao with Finance Minister Manmohan Singh to brave political opposition and introduce far reaching financial and economic reforms (Mansingh 2010). The sudden implosion of the Soviet Union in December 1991 compelled India to seek better relations with Western oriented nations, instead of relying on tacit Soviet diplomatic support. Prime Minister Rao launched major diplomatic initiatives in his ‘Look East’ policy accompanied by overtures to the United States and European Union. Members of the Association of South East Asian Nations (ASEAN) welcomed these reforms, especially Singapore and Thailand, as did Japan and Western market economies, and rapidly increased their interactions with India. As mentioned above, Narasimha Rao personally visited the ROK in 1993, being the first Indian leader to do so. He met the chairmen of the top Korean chaebols and invited them to take advantage of India’s ongoing economic liberalization. Significant investments by Samsung, Lucky Goldstar (LG), and Hyundai Motors followed as they were looking for new destinations for their products and saw India as a land of enormous resources and skilled labor. There was a significant
growth of bilateral trade as well as joint ventures in the 1990s. Korean business and industry also backed President Kim Young-Sam’s visit to India in February 1996 when a joint commission was established at the foreign minister’s level. Korea was hard hit by the Asian financial crisis of 1997, and sought to cultivate nontraditional economic partners such as India.

The early success of Korean manufacturing industries in India encouraged other companies such as Doosan Heavy Industries, Wia Corporate, POSCO and the Lotte Group to enter. They saw India with its democratic polity, large population, rising incomes, and central location, as a strategic investment destination.

According to official reports of 2013, around 600 Korean large and small companies then had business operations in India. Korean companies also diversified their activities into information, infrastructure development, real estate, services, transportation, and waste management. Manufacturing continues to account for about 84 percent of Korean investments in India. ROK ranks among the twenty top foreign investors in India and that will jump to the top five once POSCO’s $12 billion project for an integrated steel plant in India’s eastern state of Odissa comes on line as the largest foreign direct investment (FDI) project in India. As detailed below, this project has been delayed for many years because of political difficulties with land acquisition and because India’s Ministry of Environment did not issue clearance until 2011, but in the summer of 2013 the author encountered considerable optimism about progress and ultimate completion among Indian and Korean officials alike. Notwithstanding impressive figures of Korean investment in India of over one billion dollars, it is still only a small fraction (1.24 percent) of Korea’s total FDI worldwide. The scope for enlargement is enormous as Korean companies continue to seek larger markets abroad and Korean brand consumer products already enjoy a large market share and a high reputation in India.
Every middle class housewife in India knows Samsung and LG. One explanation for their success offered by a senior Korean official is that having so recently emerged from poverty and underdevelopment themselves, Koreans were better able to adjust to Indian conditions—including obligatory palm greasing to obtain multiple permits—than many Western multinationals.

FDI is not a one-way street and some leading Indian industrial houses also formed partnerships for investment in Korea to an estimated amount of $1 billion in 2012, according to official figures. Indian companies that took the lead in Korea are Novelis Inc., part of the Birla Group, Tata Motors Limited, Mahindra and Mahindra, Nakhoda Ltd., and M/S Creative Plastic. Indian banks and restaurants too are making their appearance in the ROK, as elsewhere around the globalizing world, and expect to see increasing flows of students and tourists in both directions using their services.

The Fruition

Economic considerations pushed New Delhi and Seoul closer to each other once the political constraints of the Cold War were overcome. The challenge now is to build new political and security ties across a gulf of time and habit. The American embrace of India in the 1990s and beyond freed its U.S. allies in Europe and East Asia to follow suit. ROK President Roh Moo-Hyun visited India in October 2004 and agreed with Indian Prime Minister Manmohan Singh to initiate a comprehensive joint study of the business and economic potential of linkages between their countries. Indian president Abdul Kalam made a state visit to Korea in February 2006, and a joint task force charged with developing a comprehensive economic partnership (CEPA) was created. They laid the basis for a new relationship going beyond
commercial transactions. India invited President Lee Myung-Bak to be the chief guest at Republic Day celebrations of 2010, an honor traditionally conferred on special new friends. They raised the status of their bilateral relationship to a ‘strategic partnership,’ enabling regular and fairly frequent exchanges of visits by apex officials that in turn resulted in further expansion of cooperative dealings.

Indian president Pratibha Patil’s visit to Seoul in 2011 resulted in signature of a landmark civil nuclear cooperation agreement between the two countries. Korea’s technological advances in producing nuclear power were already widely recognized, as by the United Arab Emirates that ordered four nuclear plants from Korea. Korea had been encouraged by the U.S.–India Civil Nuclear Cooperation Agreement of 2008 and now offered an additional choice to a power hungry India seeking nuclear energy plants from France, Japan, Russia and the United States. The Nuclear Power Corporation of India Limited signed a Memorandum of Understanding (MoU) with Korea’s Electric Power Corporation in 2011. Construction of U.S. nuclear power plants in India had been adversely affected by disagreements over liability issues, and the negative psychological effects of the 2011 Fukushima nuclear disaster in Japan affected everyone. The Korean nuclear industry boasts an excellent safety record and is hopeful of having sites allocated in India soon so that construction can begin.

Twelve rounds of negotiation spread over three years resulted in a lengthy CEPA document of over 800 pages covering trade in goods and services, investment, rules of origin, customs administration and procedures, general provisions and procedures for dispute settlement. As mentioned above, the CEPA was a first for India, a developing economy, as well as for the ROK, member of the OECD. They agreed to reduce or phase out tariffs on up to 90 percent of all traded items. It came into force on January 1, 2010 and bilateral trade jumped by forty percent in that year to $17.10 billion, and by twenty
percent in 2011 to over $20 billion. The target for 2014 is $30 billion. The gains are impressive but the volume of trade is significantly lower than that of India–China trade of over $75 billion in 2011, and Korea–China trade growing from $6.3 billion in 1990 to $220 billion in 2012 with a target of $300 billion for 2015 (Korea Herald 2013). Korea has a surplus balance of trade with both India and China.

Further dramatic expansion in Korea–India bilateral trade has been inhibited by factors that apply to all India’s trading partners. These include the deleterious effects on all economies of the international financial crisis of 2008 and rising prices of oil and food, the continuance of some non-tariff barriers on both sides, and onerous Indian regulations on rules of origin. Additional problems are created by lack of consensus on economic liberalization within India resulting in a lack of coordination between departments of government and unpredictability of decisions. Specific to Korea–India trade are the very large number of anti-dumping complaints registered by India against the ROK in the World Trade Organization (WTO), and discrepancies between the amount tariffs are reduced under the CEPA compared to reductions available under MFN status. Nevertheless, three branches of KOTRA (the Korean Trade Promotion Organization) in India and the Indian Chamber of Commerce in Korea (ICCK) do their best to boost bilateral business and commercial ties through organizing informative seminars on high technology opportunities and doing business in India and Korea, creating useful networks, sponsoring cultural events, exhibitions, educational opportunities and exchanges, and making sure that there are regular high-level meetings of their respective governments. In 2011 the two governments reopened discussions on CEPA to further liberalize its terms. Conclusion of the Double Taxation Avoidance Convention currently under negotiation will also help bilateral trade and investment, as would transactions in defense materials actively under discussion in 2013. In October 2013
India’s Defense Research and Development Organization (DRDO) participated for the first time in the Seoul Aerospace and Defense Exhibition (ADEX), exhibiting a range of indigenous weapons to tap into possible export markets and joint production. Strong Korean interest in selling ships and airplanes to India is well known. DRDO also participated through its chief, Avinash Chander, in bilateral meetings of Indian and Korean military officials and businessmen held in October 2013 exploring production opportunities and joint research and development in the defense sector. The two countries are major arms importers and both wish to grow their domestic defense industry. Korea’s technology and expertise in the production could be used by India to mutual benefit.

Korean business ventures investing in India have not limited themselves to servicing the large Indian domestic market. They “chose their own version of the Japanese ‘flying geese’ strategy by integrating Indian manufacturing into their Asian and world-wide operations” (Panda 2012). By doing so, they hoped to gain a competitive edge over other foreign investors in India, as demonstrated by Hyundai and Samsung. The major Korean companies listed in CEPA are POSCO, Hyundai, Samsung, LG and Daewoo. The ambitious but controversial case of POSCO illustrates India’s difficulties in making FDI a reliable source of financial stability and industrial production. POSCO is Korea’s largest steel company and POSCO India was incorporated in 2005. It established different plants for the manufacture of steel and construction machinery but aimed high to produce six million tons of crude steel and nearly six million tons of finished steel in the first phase of a new plant and doubling capacity in the second phase; the new plant is to be erected in the state of Odissa close to the port of Paradip to facilitate import of coal. Odissa and POSCO India signed an MoU to that effect in 2005 specifying the obligations of the State government to acquire land, build storage facilities and port infrastruc-
ture, and obtain an environment impact assessment report rapidly. Five hundred or more permits and licenses had to be obtained from officials with much discretion as well as greed. As a public company, POSCO was not initially familiar with a political climate allowing candidates for office to get private companies to finance their election campaigns. The MoU expired in 2011 without implementation while POSCO established joint ventures in Indonesia and Brazil to produce three million tons of steel each. POSCO India also negotiated an MoU with the state of Karnataka in 2010 but withdrew in the summer of 2013 because of inordinate delays, and probably, the many corruption charges against the state government then being publicized. Meanwhile, the $12 billion Odissa project was held up by political agitation in behalf of tribal forest dwellers adversely affected by mining and industrial activity. India’s Lok Sabha (Parliament) passed a new law in 2008 protecting the rights of traditional forest dwellers retroactively. Though India’s Supreme Court ruled in favor of the Odissa state government trying to acquire land for the POSCO steel project, the Ministry of Environment ordered another review and did not issue clearance until January 2011. POSCO India on its side promised to channel a percentage of its profits into social welfare schemes for forest dwellers.

In the summer of 2013 work was proceeding on land acquisition and both Indian and Korean officials sounded optimistic about eventual completion of the POSCO project slated to be the largest FDI to date. But the Communist Party of India and various nongovernmental organizations remain strongly opposed to FDI, fishermen and forest dwellers can be agitated easily, infrastructure construction in India is notoriously slow, and repeated promises made by Prime Minister Manmohan Singh to improve India’s business climate are received with skepticism though his personal commitment to economic reform is recognized. The World Bank ranks India 132 out of 182 countries
for ease of doing business and the international media criticizes India almost on a routine basis. Even patient Koreans politely point out that corruption scandals and political disarray in 2012–2013 seriously impact India’s economy; and without economic regeneration intensified bilateral cooperation between the two countries is unlikely to occur (Interviews by author with ‘senior officials’ in New Delhi 2013; Interviews by author with ‘senior officials’ in Seoul 2013). Notwithstanding the above, LG expects to increase its already large market share of India’s durable consumer goods market, Samsung and other Korean companies plan to marry their expertise in producing hardware for information technology with India’s software expertise, and the prospects of cooperation in the production of nuclear and other clean sources of energy in India are enticing indeed. Already the two-way investment has reached a total of $40 billion and is likely to exceed that figure with advancement of Korea’s new ‘Creative Economy’ agenda and India’s economic recovery.

Implications of the India–ROK Strategic Partnership

In the early twenty-first century relations between India and the ROK deepened beyond their already extensive economic ties to talks of expanding defense cooperation and the formation of a strategic partnership. This marks a major step in the foreign policies of both states. India appears to be prepared not only to ‘look east’ but also to ‘go east’ beyond ASEAN to the cold and distant waters of Northeast Asia. South Korea now looks for broad-spectrum support from nonaligned India and not merely from the United States. The phrase ‘strategic partnership’ lacks precise meaning and is not a synonym for ‘alliance.’ At the least, it indicates a long-term commitment to each other by all arms of state and society and consultation on all issues of concern.
including core interests, opening possibilities of cooperation to meet common objectives.

As mentioned above, India and South Korea have compatible goals and no conflicts of interest. Their democratic political systems facilitate cooperation, as do their separate engagement with the United States that encourages it (Latif 2012). India and Korea both have strong stakes in stability of the international system and freedom of navigation in sea and air lanes of communication on which their foreign trade depends. Both have equally strong commitments to nuclear security, nonproliferation, and disarmament as their active participation in the Nuclear Security Summit held at Seoul in March 2012 demonstrated. Specifically, the ROK feels under constant threat from its neighboring nuclear armed DPRK, and India has suffered decades of terrorist attacks and low intensity warfare from its nuclear armed neighbor Pakistan. Both India and South Korea feel pressure from their assertive neighbor China, which not only facilitated the nuclear weapons programs of North Korea and Pakistan but also is challenging the maritime and territorial status quo on its borders in ways that threaten conflict with the established hegemon sooner or later. Yet neither India, nor South Korea, nor the United States want open confrontation with China, a major trading partner; nor do they wish to portray their own strategic cooperation in terms of ‘encircling’ a highly sensitive China. Thus, the construction of a new strategic partnership in Asia is a delicate operation in which complementary assets and objectives play a part.

The ROK and India both seek roles beyond their immediate neighborhoods. Korea is the smallest state in Northeast Asia, sometimes termed a shrimp among the whales of China, Japan and Russia, and uses its economic dynamism to reach across oceans. Korea also counts on India at the apex of the Indian Ocean, as well as the United States, to protect its trading routes across that ocean carrying precious oil from West Asia. India is frustrated by the habits of great powers and
international media to confine it to South Asia and has made successful efforts in the last few decades to reach out both the east and the west, across to Africa and Latin America, and to portray itself as a rising power with a legitimate claim to permanent membership of the UN Security Council. Its close association with Japan, and now with the ROK, in Northeast Asia advance that objective, and some observers urge India to do more along those lines (Singh 2008). Joint exercises between Indian and Korean coast guards since 2006 preceded joint naval exercises. India’s plans to augment its navy by acquiring over 100 warships in addition to its recently inducted aircraft carrier are well known, and Korea’s shipbuilding expertise has gained it international renown. Similarly, the Indian Air Force is expanding and Korea was disappointed when it did not win the contract for supplying new trainer aircraft in 2011. Korean off-shore patrol vessels sold to India in the late 1980s continue to give good service, and it was no accident that senior officers of the Indian armed forces participated in the joint Defense Industry Symposium held at Seoul in October 2013 where representatives of seventy leading companies were also present. India’s Minister of Defense A.K. Anthony has made more than one visit to Korea and some observers see the thriving Indo–Korean economic relationship soon growing into a mutually beneficial defense and strategic relationship (see Hamisevicz chapter in this volume).

The inclusion of defense attaches in the Embassies of India in Korea and South Korea in India since 2010 is one indicator of the growing relationship, as are the interchanges between defense think tanks, the Korean Institute of Defense Analysis and the Indian Institute of Defense Studies and Analysis. Cultural Centers have also been established to disseminate information and promote people to people contacts, and India encourages the establishment of chairs in Indian Studies at Korean universities; Korea has long sponsored Korean studies in leading Indian universities, but knowledge of each other remains...
relatively low though some student exchanges are now taking place.

The Korea–India partnership also has implications for the larger questions of Asian security and the future architecture for safeguarding it. Asia is the largest continent in the world with a very rich history. The oldest continuous world civilizations of China and India are centered in Asia and the fastest growing economies of the present day are also located in Asia. Asia comprises several distinct geopolitical regions so that specific groups at particular times use the adjective ‘Asian’ differently, seldom embracing the entire continent. For example, ‘Asian’ in the American lexicon conventionally means East Asian only, leaving out South Asian, Central Asian, and what Indians call West Asian and others call Middle Eastern. Such semantic subtleties illustrate a reality of low integration among the different parts of Asia in the modern era, especially among Northeast Asia, including China, Japan and the Koreas, Southeast Asia comprising the Association of South East Asian Nations (ASEAN) and South Asia, of which India is the overwhelmingly the largest entity. Strong links between the smallest state of Northeast Asia and the largest state of South Asia could transform the picture.

India’s ‘Look East’ policy and growing relations with the ROK gain significance in this context of Asian fragmentation and attempts at integration. India’s view of Asia from the time New Delhi hosted the Asian Relations Conference in 1947 and supported the Bandung Conference of Asian and African States in 1955 is holistic and inclusive. Only the international politics of the Cold War divided Asia into ‘nonaligned’ and ‘aligned’ and inhibited Asia-wide cooperation on any important subject. The end of the Cold War combined with efforts made by ASEAN to bridge ideological divides within Southeast Asia and invite new partners such as India to join its Asian Regional Forum (ARF) made broader based discussions of all matters, including security, possible. The term ‘security’ itself has been enlarged beyond the
traditional guarding of persons, property, and nation from foreign encroachment. We now seriously consider food security, energy security, cyber security, environmental security, and the many dimensions of human security as appropriate subjects of state and multi-state action in Asia as a whole.

ASEAN, formed an East Asian Summit (EAS) in 2005 more or less as another version of ASEAN Plus Three, soon enlarged its membership to include India, Australia and New Zealand, and then invited Russia and the United States to join in 2010. The beginnings of a pan-Asian forum for all manner of discussions including security have been laid; heads of government attend summit meetings, make their policy announcements, participate in a celebratory atmosphere, and allow observers to draw their own conclusions. For example, the host of the 2012 EAS summit meeting in Phnom Penh, reportedly under pressure from China, sidelined potentially heated debates on maritime disputes in the South China Sea and the principle of freedom of navigation. And U.S. president Barack Obama’s last minute absence from the 2013 EAS summit in Brunei Darussalam is reported often as leaving the field open to the charm offensive of China’s President Xi Jinping.

A great many issues and security concerns are aired at EAS meetings, from South Korea’s acute anxiety about North Korea’s nuclear weapons program, to broad and understandable fear of pandemics and natural disasters, to calls for greater physical connectivity and regional economic integration, to India’s highlighting of terrorist threats and appreciation for support given to the establishment of Nalanda University as an international institution of excellence, to the American

---

2 For about a thousand years before the thirteenth century C.E., Nalanda was the largest university in Asia, attracting Buddhist monks as students from far and wide. A new, pan-Asian university built close to the ancient site in the Indian state of Bihar is scheduled to open for classes in 2014–2015. Faculty and students from all over Asia are invited to join. Nobel Laureate Amartya Sen is the Chancellor of Nalanda University.
insistence on a tighter Asian architecture to deal with security traditionally defined. The United States has provided military security to the Asia-Pacific region for more than fifty years on the basis of a ‘hub and spoke’ model of bilateral alliances, as well as a relatively brief period of the South East Asia Treaty Organization (SEATO) multilateral alliance. Despite the expensive distractions of wars in Iraq and Afghanistan as well as financial crises the United States remains the “indispensable nation” in the perception of itself and others (Yahuda 2008). The “rebalancing” or “pivot” to Asia undertaken by the Obama administration in reinvigorating old alliances and seeking new partners, for example in India and Vietnam, is generally welcomed in the region along with some apprehension about its feasibility at a time of political dysfunction and budgetary strain in Washington.

Implicit, and sometimes explicit, in the American approach to the Indo-Pacific region is hedging against its possible domination by a rising and assertive China that could challenge U.S. supremacy. The United States favors closer economic links through the Asia Pacific Economic Cooperation (APEC) established in 1989 and a new putative Trans Pacific Partnership. The United States undertakes joint naval and military exercises with a growing number of countries including India, and urges speedy dispute settlement in Asia. This is a different approach to security than the non-confrontational or talking-shop line adopted by ASEAN. China does not openly demand the withdrawal of the United States from the region but highlights a diplomacy of “peaceful rise” benefitting all its neighbors that enjoy substantial trade with China. At the same time, China asserts its territorial claims against more than one neighbor with increasing vigor, speaks openly about the differences of responsibility between big and small countries and seems to adopt a hegemonic attitude that one visiting Chinese scholar to the author’s university noted, that: if the neighbors are respectful, China will be kind. The last few years have
made it clear that no country in the Indo–Pacific region wants to provoke China’s ire, or to have to choose between the United States and China, or to see the United States leave. The challenge is to reconcile these apparent contradictions. India’s frequently expressed preference is for a broad, inclusive, non-confrontational grouping with equal participation by all members. As Prime Minister Singh said at the EAS summit in Brunei, “Asia has been a late starter in terms of building regional architectures of cooperation. . . . We will be successful if we adhere to the principles of unity, cooperation and integration that have guided ASEAN and if ASEAN centrality continues to shape the East Asia Summit processes. I reaffirm India’s commitment to contribute to this process” (Singh 2013). At the same time, many voices are raised in India demanding a harder, more vigorous approach to national security and territorial integrity.

In this context, India’s strategic partnerships signed with the United States and Japan in 2005, the ROK in 2010, and with ASEAN in 2013 take on significance. As detailed above, the Korea–India strategic partnership broadens the relationship beyond business-commercial to the full range of human activities. Technology stands out among the complementary assets of the two countries. South Korea excels in high technology and innovation that could be usefully applied in India. For example, innovative and environmentally friendly technologies of waste disposal have helped make crowded Seoul the clean and beautiful city that it is. Every urban dweller in India would welcome such innovation at home (Interview by author in Seoul 2013). Perhaps, expansion of people-to-people contacts would help that process. The Indian community in the ROK is estimated at 6,000 including IT professionals, scholars and businessmen. Several thousand Koreans study English in Indian schools such as Woodstock, and Korean students join Indian universities while most Korean businessmen, employees of Korean corporations and their families also reside in
India. The numbers are very small compared to the number of Koreans in China or the number of Indians in the United States but these numbers are increasing, not declining. The two countries have no conflicts of interest, share similar repugnance for weapons of mass destruction and for terrorism, wish to cooperate with the United States without provoking China, and have vital interests in freedom of navigation. They are both “middle powers” by virtue of size and economic development located in different sub-regions of Asia at a time when globalization is contracting distances. As Korean scholar Chung Min Lee puts it, “the Korean–Indian relationship has the potential to become a key niche partnership well into the 21st century” (Lee 2011, 185).

References

Interviews by author with senior officials in New Delhi. 2013. August.
Lee, Chung Min. 2011. “Coping with Giants: South Korea’s Responses to


South Korea faces many security challenges that may greatly influence its development. South Korea needs to effectively adjust to changing security structures, arising from the shifting power relations in the region. In addition, as indicated by the nuclear program development and military provocations, North Korea continues to create military tension, and security concerns on the peninsula. South Korea’s geostrategic position is particularly important, because it is surrounded by regional and global powers. This puts more stress the Korean government to maintain security relations with these countries. The Park Geun-Hye administration pursues a policy to ease military tension and political distrust with North Korea through trust-building practices. Park also strives to build multilateral cooperation mechanism in the region, and strengthen bilateral relations with other regional countries.

In terms of security issues, this paper asks what the main characteristics of the current South Korean security policy are, and how South Korea can achieve these policy objectives. What kinds of implications do these policies have on India–South Korea relations? There are few studies on these questions, particularly regarding the relationship between India and South Korea. It is important to note that India is an emerging global power and also the de facto leading power in the...
Indian Ocean region, which is a critical area for international trade. India–South Korean relations have greatly expanded since the signing of Comprehensive Economic Partnership Agreement (CEPA) in 2009. India and South Korea are now not only economic partners, but also strategic partners. The fast economic growth of both countries will provide more opportunities for cooperation in various areas, and will enhance interdependency on security interests between these two countries. First, this paper will delve into the security challenges and opportunities South Korea currently faces. Then the main characteristics of the current South Korean security and defense policies will be analyzed. Finally, the security implications of South Korea’s security policy to India–South Korea relations will be examined.

South Korea’s Security: Challenges and Opportunities

Rising uncertainties in the current South Korean security environment generates many challenges and opportunities for South Korea. North Korea, which is South Korea’s main threat to security, continues to remain problematic. Since coming to power after the death of his father, Kim Jong Il, the new North Korean leader Kim Jong-Un has shown assertive and unpredictable behavior. North Korea is still suffering from staggering economic difficulties and chronic food shortages. These have been issues since the Kim regime began. Even though Kim Jong-Un promises that he is willing to reform his policy to improve the difficult living conditions of the people, actual policy change has yet to occur. Instead, in order to hold a tight grip on society, the Kim administration continues to shut his people off from contact to the outside world. Furthermore, because Kim continues to develop a nuclear program despite international demands and pressures to relinquish these threats, the international sanctions based on UN
resolutions are unlikely to be lifted. North Korea's nuclear program and frequent military provocations prevent improvements in inter–Korean relations, also becomes the most serious threat to South Korea security. North Korea's economic difficulties and international isolation may aggravate the already vulnerable Kim Jung-Un regime. The execution of Jang Sung-Tak in December 2013, who was second in command in North Korea at the time, revealed the weakness in the regime's cohesiveness.

South Korea has much apprehension about North Korea's nuclear development and military provocations. The South Korean government has made strong efforts to resolve these problems, with the support of the international community. However, North Korea does not show any signs of willingness to give up the nuclear program, because it considers the nuclear program to be the most effective instrument in the survival of the regime. In addition, North Korea utilizes military provocations, not only to pressure South Korea and the international community, but also to placate domestic political concerns. In spite of strong international opposition, North Korea carried out a long-range rocket launch in December 2012, and a third nuclear test in February 2013. North Korea operates nuclear facilities to mine enriched uranium material, and to process plutonium. Both are needed to produce a number of nuclear weapons. The North Korean government also endorsed launch of a torpedo on the South Korean patrol ship Cheonan and fired shells at Yeonpyeong Island in 2010. These overt, unprovoked military attacks startled the South Korean people. They had not expected the North to recklessly attack. These events indicate that Kim Jong-Un regime may choose more belligerent measures for its political purposes in the future.

If the North Korean problems cannot be managed effectively, we may face two possible outcomes: The continued instability of the North Korean regime instability, and a nuclear armed North Korea.
The current young leader, Kim Jong-Un, appears to be successfully consolidating his power base, as demonstrated by the execution of his uncle, Jang Sung-Tak and his followers. He has replaced many senior military figures with his own men, and has shuffled the composition of elite group members. However, it is too early to say that his power base is solid. North Korea is facing more difficulties than ever, due to UN ordered isolation sanctions as a result of the nuclear program. There is likely to be growing dissatisfaction with the young leader, and economic difficulties may fuel more animosity. It is not impossible for a sudden regime change to occur in North Korea. North Korea’s instability could be an opportunity for unification of the peninsula, or alternately, more social disorder could occur as a result of the change.

In addition, South Korea, as well as the international community needs to consider a new security policy, should North Korea become an actual nuclear state. The Six Party Talks for North Korea denuclearization was halted in 2009. The current demands from the countries involved in the Six Party Talks are quite strict.

Aside from issues with North Korea, uncertainties regarding international order, especially the tense relationship between the United States and China, are great security challenge to South Korea. On one hand, the U.S. leadership within the international order is weakening. On the other hand, China is rapidly becoming a global power and is engaged in formulating a new international order. Also, other powers such as Russia, Japan, India, and the European Union are also influential, and are major players with great international presence, a fact that The United States and China cannot ignore. Multi-lateral system under U.S.–China dominance demands middle powers like South Korea to become more flexible and adaptive in its security posture. Essentially, South Korea needs to maintain a strong alliance with the United States; however, under this alliance, South Korea needs to take more responsibility for its own defense, and enhances
its role as a regional and global security partner with the United States. The United States in particular wants to shape trilateral U.S.–South Korea–Japan military alliance, which would tie the U.S.–Japan alliance and the U.S.–South Korea alliance together as part of a U.S.-led regional security network. However, South Korea’s relationship with China, and Japan’s rising conservatism restrain South Korea’s active involvement in the construction of such a trilateral system. South Korea also needs to build confidence and improve relations with China, not only for economic reasons, but also to handle the North Korea problem. China strongly opposes the building of a U.S.-led security network, especially with the incorporation of regional missile defense architecture in the region. It is a great challenge for South Korea to strengthen its alliance relations with the United States, and simultaneously develop a strategic partnership with China.

South Korea undoubtedly needs to diversify its security relations, and enhance its contributions to international security as its international status grows. Traditionally, South Korea’s security policy has been mainly focused in Northeast Asia. Due to problems with North Korea and the global influence of other neighboring countries, maintaining relations with Northeast Asian countries is still the most important aspect of South Korean security policies. However, a new security environment and improved international status now pushes South Korea to see its security policy more broadly; beyond Northeast Asia. As a Middle Power, it needs to closely cooperate with other middle powers as well as additional major powers in international affairs. Southeast Asian countries and India already have become important partners with South Korea for security purposes, as well as economic benefits. South Korea signed a free trade agreement with most of these countries. Now it is necessary to further strengthen security ties with these new major players, and foster joint action for the protection of their common security interests.
South Korea’s international contribution and security roles have expanded since early 1990s, after it became a UN member. Now, South Korea’s economy and security is interwoven within the international community. The sea lanes are the lifeline of South Korea’s economy. Most of South Korea’s foreign trade passes through the choke points of these international straits. South Korean naval vessels carry out anti-piracy operations off the Somali coasts with other allies. South Korea strongly opposes nuclear proliferation, and participates in the Proliferation Security Initiative (PSI). Because North Korea is one of the most capable proliferators, participation in the PSI has great significance in South Korean security concerns. In accordance with its improved status, South Korea also tries to enhance its participation in humanitarian assistance and disaster relief activities, as well as increase its involvement in international peace-keeping operations. Nevertheless, North Korean threats restrict South Korea’s expansion of its national involvement with international security efforts.

Main Characteristics of South Korea’s Security and Defense Policy

South Korea’s security and defense policy has six main points: First, South Korea utilizes trust-building policies to create a good relationship between North and South Korea. The trust-building process aims to institutionalize inter-Korean relations by overcoming mutual distrust through trust politics. It emphasizes not only cooperative security measures, but also economic and social exchange between the two Koreas. Unlike previous North Korea policies, this policy does not put North Korean denuclearization as a precursor for the start of better inter-Korea relations. This trust-building process contains many policy initiatives, including stable management of military tensions, establish-
ment of permanent communication channels, resumption of denuclearization negotiations, humanitarian aid assistance, regardless of political circumstances, and the pursuit of reciprocal exchanges and cooperation in economic and cultural areas (Park 2013). Up to now, the North Korea’s response to the trust-building process has not been positive. It continues its military provocations and nuclear development. Nevertheless, the Park Geun-Hye government has already resumed humanitarian assistance, which had been stopped during the previous government. The two Koreas successfully held high-level talks, and resumed the reunion of separated family members in February of 2014. The South Korean government has made a great effort to persuade North Korea to involve itself in the trust-building process on the peninsula.

Second, through the Northeast Asia Peace and Cooperation Initiative (NAPCI), South Korea tries to overcome the “Asian Paradox” of continuous conflicts and confrontation in politics and security, despite increased interdependence and cooperation in economics within the region. This initiative emphasizes diminishing mistrust and doubt among regional countries through functional cooperation on soft security issues, such as humanitarian assistance and confidence-building. This is achieved through leading other countries through cooperation on conventional hard security issues, including arms reduction and cyber security. It is a long term goal, as it will require diligence and patience to make cooperation and the acceptance of mutual values a norm between these countries. To suite this need, various multilateral talks, mini-multilateral talks, and bilateral talks are being utilized (Choi 2013). For this to work well, South Korea took the initiative to resume the Six Party Talks. They also held trilateral talks, including the U.S.–China–South Korea meetings and the U.S.–South Korea–Japan meetings. Considering the existing power rivalries, and maritime disputes in the region, these efforts do not produce visi-
ble outcomes in a short period of time; especially, the U.S. and China talks, as they are the most important for creating peace in the region. Neither country shows a strong willingness to activate this initiative at the moment. Nevertheless, there is good chance that all regional countries will form a consensus regarding the need for cooperation against non-traditional threats and issues surrounding North Korea. They actively pursue the development of bilateral and trilateral cooperation mechanisms. Negotiations for free trade agreement are also in progress. Through the initiative, South Korea aims to build stability and peace, which is critical to developing favorable conditions for the unification of Korea, and prevent regional conflicts that may negatively affect South Korea’s security.

Third, South Korea endeavors to transform its alliance relations with the United States, and strengthen its bilateral relations with other regional partners. There are two main issues that the United and South Korea need to overcome: the transfer of wartime Operation Control (OPCON) authority, and the broadening of South Korea’s role on regional and global affairs. Since the alliance treaty was signed in 1953, the commander of the U.S. held the position as OPCON authority, but transferred this position to South Korea in 1994. The United States agreed to transfer the remaining wartime OPCON from the U.S. command, to Korean forces in 2007. The OPCON position transfer is planned for the end of 2015. However, due to North Korea’s nuclear threat, the OPCON transfer is being delayed until South Korean forces can gain certain capabilities to deter North Korean nuclear advancements. Once the wartime OPCON transfer is successfully implemented, South Korean forces can have a greater role in its own defense, with the support of the U.S. forces. This may fundamentally change the U.S.–South Korea alliance.

The expansion of South Korea’s role in regional and global affairs is another security policy that South Korea is pursuing with
fervor. South Korea has provided military support to the U.S.-led military operations in Iraq and Afghanistan, and is willing to strengthen this type of support in the future. It develops comprehensive strategic relations with the United States’ allies and partners, proving that they share the same values. Trilateral cooperation among the United States, South Korea and Japan is also being pursued, even though actual progress is slow. Currently, the three countries only hold regular defense trilateral meetings, and carry out joint naval exercises. South Korea recognizes the need for the trilateral cooperation to effectively deter North Korean threats and develop peace in the region. Nevertheless, there is reluctance by South Korea to institutionalize such a trilateral alliance cooperation network, given Japan’s history of provocation during the war period, and the conflict regarding the disputed Dokdo islets. This makes it difficult for the South Korean government to gain support from the people to push for a trilateral alliance network involving Japan. China perceives the alliance network to be a containment measure, and strongly opposes South Korea’s participation in the network.

Aside from the alliance with the United States, a bilateral relationship with other regional countries has become an area of interest in South Korea. South Korea is now expanding bilateral security cooperation with regional countries, including China, Russia, Australia, Indonesia, and India, and also actively participating in regional security meetings such as the ASEAN Regional Forum (ARF). China is the most important strategic partner next to the United States for South Korea’s security. Both South Korea and China have reached a consensus on the need to expand their strategic partnership in all the areas. Their economies are highly interwoven, and China is the largest trade partner to South Korea. China’s bilateral trade with South Korea exceeds the amount of trade with the United States and Japan. However, despite the increasing economic interdependence, security relations between
these countries have not been fully upgraded. At the 2013 Beijing Summit, the heads of the two countries agreed to strengthen the substance of their strategic partnership in security areas. The summit greatly contributed to build a more favorable environment for enhancing mutual cooperation and trust. South Korea strives to dispel China’s distrust of the South Korean security policy, and relieve China’s concern on the U.S.–ROK alliance. Moreover, South Korea is seeking China’s participation in resolving issues with North Korea. South Korea is attempting to prove to China that a unified Korea would be advantageous, rather than harmful to China. South Korea has agreed to enhance its military contacts and cooperation effort, including high level military talks, personal exchanges, intelligence sharing, port visits, and joint naval exercises. Favorable relations between the Heads of State, creates a positive environment for the development of mutual relations. Completion of Free Trade Agreement (FTA) negotiations would also deepen their relationship.

South Korea is also expanding bilateral security relations with Japan, Russia, and other regional countries. Regardless of political frictions, South Korea has a growing social and economic interdependence with Japan. Its security cannot be properly protected without the support of U.S. forces in Japan. Thus, South Korea continues to maintain close defense cooperation and military exchange in many areas with Japan. South Korea’s bilateral relations with other regional countries focus on cooperation related to North Korea denuclearization, defense industry, and international security. With the support of regional countries, South Korea attempts to create favorable international opinion, and influence change in North Korean behavior. Security cooperation with Southeast Asian countries and India is critical for sea lane protection. Defense industry cooperation provides a win-win scenario between South Korea, ASEAN and India. South Korea’s well developed defense industry and competitive prices provide benefits
for the interests of both sides. Recently, South Korea’s defense industry export to these countries increased notably. Russia also possesses some leverage on North Korean issues. South Korea has an interest in building a railroad and pipelines connecting South Korea to the rest of Asia. South Korea signed a Memorandum of Understanding (MoU) in 2013 to participate in a Russian railroad construction project, connecting Hasan in Russia, to Najin in North Korea. Cooperation with allies for international security is a basic component of South Korean policy. However, South Korea needs to protect itself from various international threats such as piracy. It also feels great obligation to the international community for saving the country from defeat from the North Korean invasion in 1950. Thus, South Korea is willing to enhance its cooperation with and contribution to international security as much as possible.

Fourth, the threat of North Korea continues to be the most important point in South Korea’s defense policy. After a direct military attacks by North Korea on the South Korean patrol ship Cheonan and on Yeonpyeong Island in 2010, South Korea adopted a proactive deterrence strategy. This strategy changed military engagement guidelines to enable the South Korean military to immediately retaliate against not only the source of the military attack, but also the commanding and supporting facilities, should North Korea unleash a local military attack. South Korea also emphasizes that if there were to be clear indications of a North Korean WMD attack, the South Korean military reserves the right to carry out self-defense measures, such as preemptive attacks. The United States assured South Korea that it will provide extended deterrence, including a nuclear umbrella, missile defense, precision strikes and other military capabilities. Even so, the South Korean people feel insecure about the increasing North Korea nuclear threat. Thus, South Korea wants to strengthen the actual capabilities of the deterrence commitment of the United States, against various
types of North Korea nuclear threats. It also is accelerating its own effort to build up conventional deterrence capabilities, including precision strike and missile defense capabilities. South Korea’s current defense policy puts North Korea nuclear threat as the first priority.

Fifth, maritime territorial challenges have become more important to South Korea’s security, as China and Japan have implemented a more aggressive maritime policy. Japan opposes South Korea’s sovereignty over the Dokdo islets in the East Sea, and claims that Japan has territorial right on the islets. Japan’s own stance on the ownership of the islets has caused serious diplomatic tension between the two partners, and is a serious hindrance in trust building initiatives. South Korea also has a problem with the Exclusive Economic Zone (EEZ) boundary delimitation that was created by China. Both countries agreed that the EEZ boundary delimitation is not a maritime territorial dispute, and that they will resolve the problem through negotiations. However, ongoing maritime disputes regarding the Senkaku islands (Diaoyu in China) and the South China Sea, creates an obstacle for South to Korea. It needs to develop a maritime strategy to protect its interests. At present, South Korea’s maritime strategy is aimed at maintaining the status quo, and constituting favorable diplomatic conditions between it and China. South Korea keeps a firm stance on its sovereignty over the Dokdo islets, based on historical facts and international law. With regards to the EEZ boundary delimitation, South Korea has been in negotiation with China. Nevertheless, South Korea has great concern on the rapid expansion of these neighboring countries’ naval capabilities as well as their aggressive maritime policy. Thus, the modernization of the South Korean naval forces includes the acquisition of Aegis ships, new destroyers and middle class submarines (Type 214 class). With regard to maritime disputes, cooperation with Southeast Asian countries and India can provide an opportunity for South Korea to form a strong front against maritime offenses by other
powers.

Sixth, South Korea enhances its roles for international security in accordance with an upgraded international status. After becoming a member of the UN in 1991, South Korea’s financial support and military contribution for peacekeeping operations has grown quickly. By January 2014, nearly 1,690 soldiers and officers of the South Korean military forces conducted peace missions in 16 different countries, including about 633 personnel participating international peacekeeping operations (Ministry of National Defense 2014). South Korean Naval ships are now off the Somali coast, participating in anti-piracy operations. South Korean forces currently conduct disaster relief activities in the Philippines, and have already conducted Humanitarian Assistance operations in the wake of the Haiti earthquake, and Indonesia’s Tsunami. The South Korean military regards international peacekeeping operations and HA/DR operations as a major missions. The military maintains about 3,000 standing forces to quickly respond to international calls for peace operations. In addition, South Korea has hosted expert group meetings and joint naval exercises for the Proliferations Security Initiatives. Even though South Korea has many restraints on the expansion of its military roles for international security, South Korea is committed to expanding its international contribution as much as possible.

**Security Implications to the Relations with India**

India, a potential global power as well as a leading Indian Ocean power, is an important strategic partner to South Korea in terms of its economy and security. India is the third largest economy in Asia, possessing population of 1.2 billion people. Its economy has grown an average eight percent over the last two decades. The geostrategic
location of India allows it to play a critical role in the safety of the sea lane, and also allows it to utilize the Asian continent, as well as Africa for its economic development and political strength. More than 80 percent of international oil transport passes through Indian Ocean check points, including the Strait of Hormuz, the Strait of Malacca, and the Bab el-Mandab Strait (De Silva-Ramasingh 2011). India adopted a “Look East Policy” in the early 1990s, and since then has continued to develop its relationship with Southeast Asia and Northeast Asia. Rapid economic growth and a changing international environment drive India to engage with Asia more closely, and carry out a more active role in East Asia. Given the situations in which U.S. power is declining relatively quickly in the region, and China is quickly expanding its influence, India is considered a major player in the stabilization of these changing power structures. Consequently, South Korea is strengthening its bilateral ties with India. Their strategic and economic relations have since the 1990s and they are now striving to develop a more comprehensive cooperation mechanism. Both countries signed a Comprehensive Economic Partnership Agreement (CEPA), and upgraded their relationship to “strategic partnership” in 2010. The volume of bilateral trade between India and South Korea has increased from $11.224 billion in 2007 to $17.568 billion in 2013. Nevertheless, India is still only the 15th largest trading partner to Korea, accounting for only 1.63 percent of Korea’s global trade (Embassy of India 2014). Considering the fast economic growth of both countries, their trade volume is likely to grow, and their economic interdependence thereby deepened. As strategic partners, interest in defense cooperation involves both sides. They signed MoUs on defense industry and logistics cooperation in 2005, and signed an agreement regarding collaboration between their respective Coast Guard services in 2006. During a state visit to India in 2014, President Park Geun-hye and Indiana leaders presented a common vision of a stronger, high
level political cooperation, an open economic and trade environment, and a deeper cultural understanding. Both countries signed the Agreement on the Protection of Classified Military Information (PCMI), a MoU on Joint Applied Research, and so forth (Baruah 2014). These measures pave the way for turning economic-driven relations to a more comprehensive strategic relationship.

South Korea’s security and defense policy indicates that India and South Korea relations are going to move forward at a high speed. The scope and opportunities for mutual cooperation is going to expand as their economies and international statuses. Above all, India and South Korea share common interests on the stability and peace in the region, but do not need to compete with each other. The U.S.–China rivalry and maritime disputes in the East China Sea, as well as in the South China Sea indicate that there are complex and deep rooted security uncertainties in Asia. India and South Korea cannot stay away from these situations. Now we see that maritime disputes are deteriorating and causing serious security challenges to the region. South Korea has maritime problems with its neighbors China and Japan. The strong and aggressive maritime policy of these countries is cause for alarm in South Korea. One cannot expect that regional maritime disputes can be resolved through bilateral negotiations in a short period. Collective efforts of regional countries are needed to prevent armed clashes over maritime disputes. Also, there are many other security challenges, including pirate threats, Al-Qaeda terrorism, nuclear proliferation, and natural disasters to be concerned with. Issues with North Korea are regional and global security threats as well. Consequently, security cooperation between India and South Korea can greatly contribute to the management of these security challenges and, help create peace throughout the region.

Aside from cooperation on international security, there are various areas in which they can enhance mutual interests through
bilateral cooperation. First, their joint efforts will greatly contribute to the development of a stable security structure in the region. All of the East Asian countries will need to move forward and establish a new national identity and status through more assertive international policies. For instance, the United States, facing huge federal budget deficit, is adjusting its leadership role and alliance relations, despite pursuing a “pivot” policy toward Asia. On the other hand, enjoying rapid economic growth, China is undertaking a more aggressive policy to shape favorable security conditions that suit domestic interests. Russia endeavors to regain its power in regional politics. Japan shows a strong will to transform its economic power into political power. In this new environment, the growing status of ASEAN and India can provide an effective buffer to balance the power relations among global players. South Korea should welcome the expansion of India’s roles, and cooperate to maintain stability in the region. India, in turn, in order to successfully pursue a Look East policy, India should seek South Korea’s assistance.

Second, the North Korea problem calls for a unified effort between regional countries, including India. North Korea’s nuclear development causes a significant security threat to all regional countries. The international community is also concerned with the possibility of North Korea’s nuclear proliferation. North Korea’s military provocation may escalate into unwanted armed clashes on the peninsula. A sudden regime change in North Korea may lead to a humanitarian disaster, which will require massive international aid and intervention. At the moment, mainly Northeast Asian countries are involved in efforts for the denuclearization of North Korea. However, as North Korea uncertainties grow with the expanding nuclear program, international cooperation and support will become increasingly more necessary. India’s active role in this effort could aid in the North Korea problem.
Third, India is a key partner for protecting the security of sea lane in the Indian Ocean and the Malacca Straits. South Korea’s economy heavily relies on international trade. The sea lanes are a life line for South Korean economy, which calls for close maritime cooperation with coastal states. Without cooperation with India, South Korea’s trade with Europe, the Middle East, and Africa will be difficult. South Korea’s navy and coast guard now conduct joint exercises with Indian partners, and are willing to strengthen this collaboration further. India is expected to perform more prominent roles in the Indian Ocean and expand its military activities into East Asia. In fact, India now has ambitious plans to build up its navy, to fulfill this objective. India’s unique geostrategic position and new promising naval strength might provide India with stronger influence in its protecting the sea lane. This is an attractive notion to South Korea, and may cause Korea to pursue greater collaboration with India in the future.

Fourth, defense industry and technology cooperation would provide mutual benefits for both India and South Korea. South Korea possesses a well-developed defense industry with a competitive edge in cost-effectiveness. South Korea’s defense industry exports reached $3.3 billion in 2013. Southeast Asian countries now agree that South Korea is capable of supplying a strong defensive force, and can serve as a viable defense partner. South Korea signed an agreement for the sale of 16 TA-50 Trainers and three 1,200 ton submarines (Type-209) with Indonesia in 2011. Twelve FA-50 fighter aircrafts were sold to the Philippines in 2013 (Jung 2013). India possesses advanced electronic and space technology, and is strongly pursuing military modernization and an increase in military manpower. India is the largest arms importer in the world, where more than 70 percent of its imports come from Russia. South Korea as a strategic partner could provide an opportunity for India to diversify its defense suppliers. A joint collaboration between India and South Korea could assist in creating
a competitive advantage in multiple areas of technology. For example, South Korea could get assistance from India in the development of its space capabilities, an area it is currently pursuing.

**Conclusion**

A changing international security environment and uncertain North Korea situation pushes South Korea to be more flexible and adaptive in its security and defense policy. Traditionally, South Korea’s security and defense policy has been geared toward the deterrence of North Korean threats, and the management of the U.S.–South Korea alliance. However, it now adopts a more active approach in resolving the North Korea problem, and has expanded the scope of its security and defense policy to cover wider regional and global issues. This new stance is shown in South Korea’s security policies, such as the transformation of the U.S.–South Korea alliance, the trust-building efforts with North Korea, the Northeast Asia Peace and Cooperation Initiative, and the strengthening of strategic partnership with regional countries. South Korea recognizes that economic issues are not only inseparable from security policy, but that these issues are also becoming more important for security cooperation in the twenty-first century. However, South Korea still has many constraints on properly tackling these policies, and thus needs to strengthen its relationships with other allies and partners.

Here, strategic partnership with India is becoming crucial for South Korea’s security and defense calculations. Even so, mutual cooperation has not yet been fully developed, despite increasing cooperation in economy and security spheres. India and South Korea possess many common interests for security cooperation, and these common interests will grow and broaden as their economy and
international activities expand. In an Indo–Pacific era, the Indian Ocean is becoming the center of international economic flow, and India’s economic growth causes India to play a major role in regional security. Aside from economic cooperation, South Korea needs India’s support on North Korea issues and sea lane protection. In addition, South Korea’s support of India would help India effectively pursue its “Look East” policy. Their cooperation in defense industry can bring about a visible win-win outcome in a short time.

References


India and Korea’s “benevolent,” or rather, non-coercive style of leadership, has become a critical factor in the promotion of multilateral regional cooperation in East Asia. Unique factors specifically related with this region have led to the emergence of such a style of leadership. Such factors include a mutual hatred of past colonial experience, rejection of outsider hegemonic leadership roles, and the fact that global superpowers have accepted relatively weaker powers’ leading roles in mobilizing regional cooperation. Unlike in the West, where superpowers were a moving force in regional cooperation, smaller and relatively weaker countries’ leadership has promoted regional cooperation in East Asia. Today, India and Korea are emerging as the region’s two new “benevolent” leaders. India’s engagement with other East Asian countries now operates on various political, economic, and cultural levels. Korea’s foreign policy is also entering into a new phase in which it seeks to overcome a decade-old policy of non-engagement. Both countries are also actively engaging with each other like never before. Their joint leadership could be a decisive factor in the further cooperation in the region. A number of indicators support this argument, including a preference for democratic norms and values and a
shared common vision of a strong and united East Asia, free from dominance of any hegemonic power.

**Historical Background of East Asian Regional Cooperation**

**Non-Alignment Cooperation at the End of World War II**

The end of World War II was marked by the beginning of multilateralism in international politics. In the North Atlantic region, the North Atlantic Treaty Organization (NATO) was established under U.S. leadership, and the Warsaw Pact was founded in Eastern Europe by the Union of Soviet Socialist Republic (USSR) to counter the alliance system of the United States in Western Europe. Initially East Asian countries did not show much desire to create a strong localized mechanism in order to deal with regional issues. Most Asian countries had just gained independence from their colonial rulers. It was natural for these nations to be more concerned about their independence and sovereignty than multilateral cooperation or other higher moral issues. Most rejected the idea of any Asian regional community being led by either of the two great powers, as most feared losing their recently acquired independence.

Instead, East Asian leaders came up with the idea of “non-alignment.” This movement was first introduced by India in 1953 at a United Nations forum. Two Asian leaders: India’s first Prime Minister Jawaharlal Nehru and Indonesia’s first President Achmad Sukarno played significant roles in its creation. They argued that Asian countries should adopt a middle course in keeping away from the Western and Soviet blocs, thus preventing power politics from harming Asian countries.
The Non-aligned Movement (NAM) aimed to promote Afro-Asian cooperation, while opposing colonialism and neocolonialism by superpowers. The movement focused on an agenda that included abstention from collective defense pacts, which served the interests of the superpowers, and abstention from intervention or interference in the internal affairs of any other country (Jayaprakash 2005). The movement also supported Nehru’s “Panchsheel” (five pillars) doctrine as a basis for interaction between states. The Panchsheel doctrine emphasized mutual respect for sovereignty, non-aggression, non-interference in domestic affairs, equality, mutual benefits, and peaceful co-existence (United Nations 1958).

Regional cooperation in East Asia at the beginning of the cold war had two distinct features. First, countries in the region were united under the “benevolent” non-coercive leadership provided by India and Indonesia. Second they pursued a kind of cooperation that rejected the idea of joining any group led by superpowers.

**The Emergence of Multilateralism in Southeast Asia**

**During the Cold War**

With the creation of the Association of Southeast Asian Nations (ASEAN) in 1967, multilateralism in East Asia began to take shape. The initial idea of forming ASEAN came from the smaller states such as Malaysia or Thailand, rather than relatively larger powers (Acharya 2002). Subsequently, Indonesia played a crucial role in the development and growth of ASEAN (Smith 1999), showing this style of non-coercive benevolent leadership. Singaporean Prime Minister Lee Kuan Yew described Indonesian President Suharto’s role as crucial for the success of ASEAN. Under Suharto’s leadership, Indonesia did not behave like a hegemon or regional superpower in the traditional sense. Indonesia did not insist on its own points of view, but instead
took into consideration the policies and interests of the other members
(Lee 2000). This obliging behavior on the part of Indonesia was the
main reason why other Southeast Asian countries accepted Indonesia
as “first among equals.”

ASEAN flourished because there was a non-coercive “benevo-
 lent” leadership framework that was established from the beginning,
and it has continued as ASEAN’s influence spread. This is not to
say that other factors were not important for regional cooperation in
Southeast Asia; however, it was tantamount in the success of ASEAN.
A shared anti-communist sentiment among member nations was also
a contributing factor. Another important factor was the signing of the
ASEAN Free Trade Area (AFTA) in Singapore in January of 1992.
This extended the area of cooperation between these countries in the
economic sphere. However, these factors are secondary to the question
of how to lead regional cooperation in Southeast Asia.

Growth of Multilateralism in East Asia After
the End of the Cold War

After the Asian economic crisis of the late 1990s, the emergence of
the ASEAN Plus Three (APT) marked a new kind of regionalism in
East Asia, from which all Western powers, most notably the United
States, were excluded. The first APT meeting brought together the
leaders of ASEAN nations, plus China, Japan, and Korea for the first
time on a single platform. This forum for the first time successfully
involved East Asia’s major power rivals, China and Japan, in a regional
multilateral framework. It also succeeded in involving South Korea,
which was reluctant to join any institution that did not include its
closest ally, the United States. Since then, subsequent meetings of the
APT heads of state have been taking place at each of the subsequent
annual ASEAN summits. In addition to summit meetings, APT finance
ministers, economic ministers, and deputies from senior ministries also meet regularly. Since its inception, the APT has come a long way, and has broadened its agenda to include: food security, energy security, financial cooperation, trade facilitation, disaster management, people-to-people contacts, narrowing the development gap, rural development, poverty alleviation, social welfare, human trafficking, labor, communicable diseases, environment and sustainable development, and transnational crime, including counter-terrorism. Initially economic interests were the primary focus behind this new kind of regionalism, as a reaction to how the United States and the International Monetary Fund (IMF) had handled the 1997 Asian economic crisis. Some argued that it was high time for East Asian leaders to realize that their economic and political interests did not necessarily correspond to those of the Western countries, specifically the United States (Terada 2003).

Regional countries’ rejection of the leadership role Japan proposed for itself through the introduction of an Asian Monetary Fund (AMF) provides evidence of the lack of primacy of the economic factor as a mover of multilateralism (Lipsy 2003). Despite Japan’s capacity to provide huge financial support to regional economies, its proposal did not take off because other countries were not ready to accept the former colonizer’s leadership position in the region.

In addition to the APT initiative, the East Asian Summit (EAS) is another regional institution that has developed under ASEAN leadership. So far eighteen countries have joined the summit to strengthen security mechanisms in East Asia.

The emergence of ASEAN’s leadership in East Asian regional cooperation is a unique phenomenon specifically related with East Asia. The Sino–U.S. rivalry after the end of the Cold War prevented either country from playing a leadership role in the East Asian regional paradigm. Likewise, given the Sino–Japanese rivalry, neither China nor Japan showed their willingness to embrace its counterpart’s proposal
for regional cooperation. The U.S.–Japanese rivalry in the 1990s, which was triggered by the United States vetoing the Japanese proposal for the AMF and by Japan’s veto of U.S plans for early sectoral trade liberalization within Asia–Pacific Economic Cooperation (APEC)—a U.S.-led institution—illustrated that even the two strongest allies in East Asia were reluctant to allow their partner to exercise a leadership role for regional integration (Kim 2012). As the result of such competition, ASEAN’s leadership seemed the best option upon which all countries in the region could agree to start building regional institutions.

The Power Struggle Between Superpowers, and the Prospects of East Asian Regional Cooperation

The United States and Regional Cooperation

With the launching of the United States’ “pivot” to Asia two years ago, President Obama seemed to be giving special attention and importance to Asia, or more specifically, to pan-Pacific regionalism. He also initiated a U.S.-led Trans–Pacific Partnership (TPP) proposal, in an attempt to achieve a liberal trade arrangement in the Asia–Pacific region. The United States has been underscoring its Asia–Pacific presence with its announcement of redeployment of American forces to the region following withdrawals from Iraq and Afghanistan. This redeployment is justified on the pretext of promoting peace and stability in the region. In addition to joining the East Asian Summit, the United States seems to have expressed an increasing interest in East Asian multilateralism, and has sought to resolve regional issues through multilateral negotiations.

However, does Washington’s “pivot” (or rebalance) provide any new impetus for regionalism in East Asia? This is unlikely, as evidenced
by President Obama’s nonparticipation in recent APEC and EAS meetings, choosing instead to send a representative, which thereby triggered a debate in the region of whether or not the United States still remains committed to promoting regional institutions in East Asia.

In order to understand the long term commitment of the United States to these regional institutions, it is important to look into some critical determinants which are likely to influence the U.S. policy toward Asia.

America now recognizes that East Asian stability cannot be maintained alone by any U.S.-led security system in Asia. Thus, it seeks to cooperate with other likeminded powers, such as India, to maintain regional security order. This is evident by the fact that the Obama administration has intensified its decade-long shift in its traditional Asian policy. The core of the United States’ Asia policy was traditionally rooted in its military alliances with Korea and Japan, the security challenge from China, and the enormous economic partnership with East Asia. However, recently the United States has included new critically important markers in its policy, recognizing a wider “Indo–Pacific” region over and above the Asia–Pacific region, and treating India as an important player in the East Asia regional paradigm (Schaffer and Schaffer 2013).

It also seems that the United States is getting ready to accept a new form of emerging military cooperation among East Asian countries. Often excluding both the United States and China, these new emerging security ties are supplementing the traditional U.S.-led “hub and spoke” alliance system that has underpinned Asian security for decades. This emerging security cooperation among key countries in the region represents a response to emerging new worries about China’s rise, and hedge against any diminution of the presence of the United States. Illustrating this point are Japan’s recent enhancement of
security cooperation with India, Australia, Vietnam, and the Philippines; India’s growing security engagement with Japan, Korea, Australia and some ASEAN countries; and Korea’s security cooperation with Indonesia (Fontaine, Cronin, and Ratner 2013).

In addition, the domestic economic situation in the United States is going from bad to worse, with serious implications for its Asia policy. The United States’ share of the global economy, especially its trade share with East Asia, has plummeted in the past decade. The impact of worsening domestic economic crises on its foreign security policy is becoming increasingly visible as the U.S. defense budget is likely to fall about 20 percent in the coming year (Dupont 2013). This is not to say that this domestic situation will hamper the United States’ involvement in Asia per se, but its leadership role in multilateralism is likely to become more reactionary, rather than continuing with a path-finding and leadership strategy.

Furthermore, the United States is no longer able to take on the entire financial burden for maintaining peace and stability in East Asia, as it had done in the past. Toward this end, it has revised its defense treaties with its alliance partners in East Asia, most notably with South Korea. The Washington–Seoul defense treaty had initially put the major burden of financing the U.S. military activities mainly on Washington, but after the first Special Measures Agreement (SMA) at the end of the Cold War, the United States has been asking Korea to share the cost. Since then, the deal has been renewed eight times intermittently, with Korea’s financial burden constantly rising. According to the new cost-sharing deal between the two nations, in 2014, Korea will have to pay 920 billion Korean won ($900,000,000) for the upkeep of U.S. Forces Korea (USFK). The amount represents a 21 percent (or 160 billion won) increased from the 760 billion won it paid in 2009 (Chung 2014). Washington’s recent increasing demand from Seoul to share the cost is widely understood to have its roots in
U.S. domestic politics and economic situation. U.S. diplomats have stated explicitly at the negotiation table that the United States is unable to continue supporting its Korean military mission financially as it has been, due to its budgetary constraints and spending cuts (Korea Times 2014).

Furthermore, the United States’ pivot to Asia seems to be nothing more than an attempt to contain China’s growing influence in the region (Ross 2012). All this suggests that the United States is unlikely to play a future leadership role in promoting multilateralism in East Asia.

**China and Regional Cooperation**

The rise of China’s power across economic, political, and military domains has produced a new debate about whether or not China is going to place regional cooperation responsibilities upon its own shoulders. Many have forecast a rise of China’s likely position on regional affairs in different directions. Some argue that China is a status quo state, which has adopted a diplomatic approach to regional issues that has earned praise from around the region. As a result, most neighboring nations now see China as a constructive partner, a careful listener, and a nonthreatening regional power (Shambaugh 2004–2005). Similarly, Katzenstein argues that China is a status quo power, adding that, with the exception of Taiwan and Tibet, China’s strategy prioritizes international accommodation and accords this priority to domestic growth and development over international assertiveness (Katzenstein 2008). Some who are optimistic about China’s rise view that a rich and strong China will re-implement a so-called “tribute system,” which was used to maintain a Sino-centric world order up until about 150 years ago. They claim that historically, it has been China’s weakness that has led to chaos in Asia. When China was strong and stable, order had been maintained. Hence, a
rich and strong China could again cement regional stability (Kang 2003; Jacques 2009).

The initial evidence strongly supports the status quo arguments made by prominent scholars about the rise of China and the implications this has on its foreign policy behavior.

First, China has given strong support for ASEAN–led multinational mechanism for maintaining peace and stability in the region. Indeed, Beijing has accepted ASEAN’s leadership role for regional security negotiations. This can be understood from the fact that China has been an active participant in almost all regional level negotiations since the mid-1990s. These include the ASEAN Regional Forum (ARF), APT, ASEAN Plus One (ASEAN and China), and the EAS. In addition, China has also been a very active participant in almost all track-two diplomacies under ASEAN leadership. This is remarkable because Beijing had previously pursued a policy of not joining any multilateral regional negotiations which do not serve its national interest.

Second, in addition to accepting ASEAN’s leadership position in various multilateral mechanisms, China has also strengthened bilateral economic cooperation with Southeast Asian nations. Beijing concluded a free trade agreement with ASEAN that has facilitated the rapid trade and economic activities among China and the member states. It is said that China has been an engine of economic growth for Southeast Asian countries, and has thus helped ASEAN states maintain their growth momentum without interruption in the last decade, at a time when the world economy faced severe challenges.

Third, China has not only emerged as an engine of economic growth and as a trade facilitator, but also as an economic stabilizer in the region. This was evident from the fact that Beijing acted responsibly by not devaluating the yuan during the Asian financial crisis in the late 1990s. Moreover, it offered financial aid packages and low interest loans to many Southeast Asian countries. China’s responsible behavior
came at a time when the Western-led IMF and the United States decided not to help debt-ridden Asian economies. Consequently, China’s role as a stabilizer was widely appreciated by leaders in the region.

Fourth, China has provided substantial economic aid to many Southeast Asian countries such as Cambodia and the Philippines in order to improve their infrastructure and other core areas. This economic aid is mostly unconditional, a factor that has improved the Chinese image in the region as a responsible nation that wants to see prosperous neighbors (Mills 2007).

China has also sought to improve its bilateral ties with India, Japan, South Korea, and many other ASEAN counties, with whom its relations were not so robust earlier. However, the reality on the ground gives a different picture in which China’s leadership role in the region seems to be problematic.

Recent troubles in China–Japan relations indicate that Japan will not accept China’s hegemonic leadership role. The good bilateral relationship which was developing between the two countries has come to an abrupt halt. When the Democratic Party of Japan was in power a few years ago, Japan’s then-prime minister Yukio Hatoyama sought to improve relations with China on regional issues as part of a broader foreign-policy tilt toward an imagined “East Asian Community” that excluded the United States. However, this idea went nowhere, and China–Japan relations have deteriorated to their lowest levels in recent months. As a result of the growing alarm over China’s unilateral actions, Japan has sought to step up cooperation with like-minded moderate East Asian countries to deal with regional affairs (Abe 2012).

A similar position has been taken by South Korea as well. Seoul wants to engage a rising China in multilateral institutions—not as a hegemonic leader but as an equal participant. Yet most Southeast Asian countries are skeptical to embrace China’s hegemonic leadership position in East Asia. Some fear that China may try to solve complex
regional issues as per its growing military power, rather than through international laws and norms. China’s recent aggressive actions to deal with certain territorial disputes are adding fuel to the fire, and China’s “peaceful rise” image is rapidly vanishing in the eyes of Southeast Asian leaders (Mahbubani 2012).

As a result, both the United States and China seem unable to fulfill a leadership role in multilateralism. The U.S. “pivot” to Asia policy, a strategy that is indeed crucial for American commitment toward a bilateral alliance system in the region, seems to have nothing much to offer in terms of concrete leadership solutions for promoting multilateralism, while a rising China, which was earlier perceived as regional stabilizer that would engage the whole region peacefully, is now seen as a threat to the status quo.

ASEAN Leadership and the Future of Multilateralism in East Asia

The ongoing debate of the possible leadership question in East Asia is not limited only to the so-called super powers as mentioned earlier, but also extends to ASEAN. To lay its leadership claim in the region, ASEAN has embraced a broader, multidirectional strategy in a multipolar regional system where great powers have been competing against one another in bringing smaller powers to their sides. Under this strategy, ASEAN has chosen neither to pick sides nor to exclude certain great powers, but rather, to try to involve all the various major powers in the region’s strategic affairs under its own leadership umbrella (Goh 2007–2008).

To some extent, ASEAN has been successful in achieving its primary objective, as it has been able to engage all major powers in the region such as the United States, China, India, Japan, and South Korea at various levels. In addition, ASEAN has not only avoided the
dilemma of choosing from one of the great powers in Asia, but also has opened up linkages among them through a number of regional forums such as ARF, APT, and EAS. To that extent, ASEAN has succeeded in filling a leadership gap which can promote multilateralism in the region.

However, there are two major questions that forecast a gloomier picture about the future of ASEAN leadership. First, most of the regional institutions initiated by ASEAN have so far achieved few concrete terms in the context of resolving big ticket East Asian issues. For example, the ongoing North Korea issue or the East China Sea border disputes among regional powers are not present in ASEAN forum discussions. There is not a single case where ASEAN has tried to step in to help resolve a regional dispute or difficult situation outside of Southeast Asia. Thus, it is not clear to what extent ASEAN will be able to play a leadership role in fast changing East Asia as a whole.

Second, in recent years there have been disputes even within ASEAN members over how to deal with issues related to the rising economic powers in Asia—most notably China—which are becoming a significant source of domestic economic growth for some ASEAN member countries. This poses a threat to future ASEAN unity itself. In the past, ASEAN has responded jointly regarding the role of great powers so that its primacy could be maintained in Asia; however, in 2012 for the first time since the creation of ASEAN, the ASEAN Ministerial Meeting (AMM) failed to agree to a joint communiqué, because one of its members, Cambodia, did not want it to refer to bilateral disputes in the South China Sea. This shows that it may not be easy for ASEAN to take joint decisions on regional affairs in the future as had been done during the past forty-five years.

There seems to be an emerging leadership vacuum in the region. The growing rivalry between the United States and China, and China with Japan is hampering the possibility of a leadership role
for regional cooperation by any of these powers. Likewise, ASEAN’s potential for future leadership roles has also become questionable. At a time when it is struggling to keep its organization intact, it begins to limit its role. Certainly in this situation, the responsibility for the further development of multilateralism falls to two other major countries in the region, South Korea and India.

**India and Korea and the Leadership Question in East Asia**

**India**

Since the launching of the “Look East” Policy in 1991, India’s role has become a critical factor in regional cooperation in East Asia. The Look East policy, which was initially launched to rediscover India’s cultural and historical ties and promote economic cooperation with East Asia, has acquired a prominent place in its foreign policy since then.

After two decades in operation, this policy is now entering into the next phase, from “Look East” to “Engage East.” This initiative has remarkably transformed India’s relations with East Asia, as it has become an active participant in summit-level multilateral forums. India has also entered into free trade agreements (FTAs) with East Asian countries. India is also a founding member of the East Asian Summit, which includes ten ASEAN nations along with India, China, Japan, Korea, the United States and Russia. India has adopted the following strategies to further its goals:
Political Engagement

While India’s engagement with the region at a multilateral level has significantly improved, the perception about its regional position has also greatly increased. Regional leaders are beginning to realize the potential of its leadership role in the emerging East Asian paradigm. Japan followed a similar strategy when Shinzo Abe, who returned to office as Japanese Prime Minister in December of 2012, referred to India as a “resident power” in East Asia, and urged it to join Japan, the United States, and Australia to shoulder more responsibility as guardians of freedom of sea lanes of communications in the Pacific and Indian oceans (Abe 2012). The United States also pressed India to assume a more proactive leadership role in positively shaping the future of the Asia–Pacific region, while supporting its Look East Policy, encouraging India not just to look east, but also to engage east and act east as well (Financial Times 2010).

ASEAN leaders have also suggested that India take a more proactive position in regional cooperation in East Asia. Malaysia’s Prime Minister Najib Razak has urged India to expand its economic and strategic integration with Asia, as it cements its position on the global stage (Razak 2010). Vietnam, an important member of ASEAN, has openly pitched for India’s greater presence in East Asian affairs politically and economically. Accepting the term “Indo–Pacific” as a strategic framework, Vietnamese Foreign Minister Pham Bing Minh has said that with a more active India in cooperation with ASEAN, the region can dream of a vast Indo–Pacific with strong linkages and efficient connectivity with shared prosperity and peace (Hindu 2013). Singapore’s Prime Minister claimed that the more India engages with the region, the more it will help foster stability and peace in East Asia (Lee 2012). This all suggests that the perception of India’s regional position and its leadership role in regional community building has
changed in the last few years, and the region is expecting greater involvement from Indian leadership for peace and stability.

**Cultural Engagement**

India’s emerging role in East Asia is based upon its cultural and peaceful historical ties with the region, promoting cooperation and integration between East Asian counties, and enhancing economic prosperity through intra-regional trade and economic activities. There are a number of examples to illustrate this point. First and foremost, with its participation in bilateral and multilateral forums, India is exploring cultural and historical trade routes with East Asia that had been ignored for a long time. India’s trade links with East Asia go back several millennia through the Silk Route, once the world’s greatest trade route back when Asia was a predominant economic center. Furthermore, religious and cultural ties date back to the spread of Buddhism from India to East Asia in the first five centuries A.D. The spread of Buddhism in Asia led to the foundation of common philosophical thinking in East Asia. Indeed, Buddhism was not only embraced in the whole of East Asia, but was incorporated as the dominant East Asian philosophy, neo-Confucianism.

In addition to this, East Asia is also exploring its cultural and historical ties with India. It can be seen from the fact that at the East Asian Summit, regional leaders have embraced the idea of reviving ancient Nalanda University, the world’s oldest university which had flourished for hundreds of years before it was destroyed by Afghan invaders in the twelfth century. For over seven hundred years the university was a center of higher learning that attracted pupils and scholars from Korea, Japan, China, Tibet, Indonesia, Persia and Turkey. Understanding the necessity of a pan-Asian university, George Yeo, former Foreign Minister of Singapore and a member of the Nalanda
Mentor Group, points out that Nalanda is an icon of the Asian renaissance in the twenty-first century and it should be a center of civilizational dialog and inter-faith understanding, as it once was (Yeo 2011).

India’s leadership role for East Asian regional cooperation becomes more relevant with the fact that Indian history, especially Nalanda, gives East Asia the kind of “soft power” of influence and attraction that could be a strong point for cultural revival of East Asia. Indeed, the revival of Nalanda University is a good sign for cooperation among East Asian nations to rediscover Asian civilizational roots, much like the West, which has a long tradition of rediscovering its civilization from ancient Greek and Roman roots.

Economic Engagement

India’s engagement in regional cooperation mirrors an underlying economic reality: East Asia is now India’s major trading partner. This is evidenced by the fact that while trade between India and ASEAN in 1991 was a mere $3.1 billion, in 2012 it has reached $80 billion. Both sides have now aimed at increasing this amount to $100 billion by 2015.

India’s trade with South Korea also multiplied from $530 million in 1991, to about $18.8 billion by the year 2012. Today, around 600 Korean companies have business operations in India. The Indian government’s environment clearance to a long-delayed POSCO steel plant in Orissa, one of the largest overseas investments by Korea and inward investment into India, is expected to inspire other big Korean companies to follow suit.

India’s economic relations with Japan and China have also changed dramatically. Bilateral trade with Japan stood at $18.51 billion in 2012–2013, as compared to $18.32 billion in the previous fiscal year. India has also received $15 billion in foreign direct investment
from Japan from April of 2000 to October of 2013, which was seven percent of its total FDI amount (Economic Times 2014). India’s bilateral trade with China reached a record $74 billion in 2011, when China became India’s largest trading partner. However, the widening trade deficit that reached a record $31.4 billion in 2013 in favor of China is emerging as a cause of concern for India (Hindu 2014).

Security Engagement

India has substantially stepped up its engagement with East Asian counties. In December of 2012, during an India–ASEAN Commemorative summit, the relationship was formally elevated to a “strategic partnership. Although never explicitly stated, ASEAN countries want New Delhi to act as a security stabilizer in the region. The Philippines, Thailand, Indonesia, and particularly Vietnam and Myanmar, have time and time again pressed India to help them in terms of security-related issues (Gokhale 2013). Also, India and Japan have resolved this year to strengthen their strategic partnership, which was formally established in 2006, with the addition of a series of new accords on defense cooperation. India has also sought to add more depth to its strategic partnership with South Korea, with cooperation in the defense industry, space technology and nuclear energy.

South Korea

South Korea is entering into a new phase in its foreign policy approach with its increasing engagement with Southeast and South Asia. This can be seen as the emerging role of Korea in East Asian regional cooperation. This new trend began to appear following the inauguration of the Kim Dae-Jung administration in 1998. Kim Dae-Jung was the first Korean President to embrace proactive and vigorous actions in the
pursuit of regional cooperation in East Asia. He forwarded the idea of an East Asian Vision Group (EAVG) at the ASEAN Plus Three summit meeting in Hanoi in 1998. Taking it to the next level, the Roh Moo-Hyun administration also played an important role the building of East Asian regional cooperation. His administration first introduced South Korea’s mediating role as “bridge” and hub nation under the slogan of a “Northeast Asian Era of Peace and Prosperity” (Lee, 2008). In 2005, as a founding member, he attended the first East Asian Summit that was formed to exclude the United States from East Asian regionalism. Both Kim Dae-Jung and Ron Moo-Hyun had for the first time sought to enhance Korea’s leadership position in East Asian regional cooperation.

Korea’s leadership position reached its highest point in 2009, when the Lee Myung-Bak government formally announced the “New Asia Initiative,” which sought to upgrade Korea’s role as power player in Asia by engaging the region, and creating stronger ties among itself. To fulfill the objective of the New Asia Initiative, the Lee administration proposed a number of sub-initiatives. Under the slogan, “Global Korea,” the Lee government has since hosted many international events. South Korea became the first country outside the G-8 to chair and host a G-20 summit, welcoming world leaders to its capital, Seoul. It also hosted the fourth High-Level Forum for Development Effectiveness, as well as the 2012 Nuclear Security Summit. The Korean government also proposed the “East Asia Climate Partnership Fund,” to assist developing countries. Under this initiative, Korea provided millions of dollars to ASEAN countries to reduce greenhouse gas emissions and combat climate change.

Korea’s new president Park Geun-Hye has declared that she will pursue a “trustpolitik” foreign policy, based on strengthening relationships with key regional powers and promoting conditional engagement with North Korea, while also enhancing South Korea’s
role in the international community (Park 2012). The Korean foreign minister recently added that Korea will pursue a responsible middle power diplomacy, which seeks to play an even greater role in regional institutions (Yun 2013). The Park doctrine’s focus on regional institution can be seen as the continuity of Lee Myun-Bak’s New Asia Initiative. This is evident from that fact that when President Park Geun-Hye attended the 16th APT Summit held in Brunei this year, she supported the vision of launching an East Asian Economic Community by 2020. This was presented at the 2012 APT Summit by the second East Asia Vision Group (EAVG-II). The EAVG-II was set up through the initiative of Korea. At the East Asian Summit, President Park introduced a plan to hold a non-governmental forum, tentatively named EAS Future Directions, in Korea next year as part of its effort to contribute establishing EAS as a strategic forum that handles regional and global challenges.

Korea is also expanding a non-coercive leadership role in promoting cooperation among nations in Northeast Asia, including China, Japan and Korea. This is evidenced by the fact that the first trilateral summit, which was held between Korea, China and Japan in 2008, occurred because Korea, as a moderate power, has played a leading role in promoting cooperation among fierce rivals such as China and Japan. The importance of Korean leadership is also marked by the fact that the trilateral cooperation secretariat was launched in Seoul, rather than in Beijing or Tokyo.

The financial capacity of Korea matches its desire for a leadership role in East Asian Regional Cooperation. Korea’s sustained economic growth in the last few decades has transformed a once aid-dependent poor country into an economic powerhouse, currently making it the fourth largest economy in Asia. Although Korea is a relatively small country in terms of territorial size, its population of 50 million, is ranked at twenty-third in terms of population size among the 220 countries
of the world. Its human capital was very competitive, ranking at fifteenth place in the 2011 UN Human Development Index among 169 countries. It is also the seventh largest exporter among G20 member counties. With a per capita income of about $24,000, Korea is the new entrant into the “20K-50M Club” elite (Lee 2012).

Korea has recently started engaging the region economically and politically, having concluded Free Trade Agreements (FTAs) with ASEAN and a Comprehensive Economic Partnership Agreement (CEPA) with India. Negotiations are also under way for seven new FTAs with other Asian countries, including China. Korea is also preparing for a trilateral FTA with Japan and China. Economic cooperation between Korea and Vietnam has also deepened significantly, as both countries have pledged to conclude a bilateral FTA by 2014 (Cheon 2013).

Korea’s growing soft power, especially in Asia, is another effective pillar that can be used for its leadership role in East Asian regional cooperation. It is believed that the political clout of countries like Canada is greater than their military and economic weight, owing to the incorporation of attractive causes such as economic aid, and peacemaking in the definitions of their national interest paradigm (Nye 2009).

Lately Korea has been using both peacekeeping operations and Official Development Assistance (ODA) in its foreign policy. After passing a law regarding participation in UN peacekeeping operations in late 2009, South Korea has been dispatching its military overseas under the framework of the UN and other multilateral peacekeeping operations. For increasing the contribution of Korea’s ODA, the Basic Law for International Development Cooperation was enacted, and Korea’s ODA volume is expected to reach the level of 0.25 percent of its GNI by 2015 (Lee 2012).
Korea and India Joining Hands for Peace and Prosperity in East Asia

India and Korea’s joint leadership could be crucial for the further development of cooperation in the region. However, the two have so far overlooked the potential of such a role. India–Korea cooperation has so far been largely defined at the bilateral level, mostly in the economic arena. However, the time has now come for both countries to expand the scope and nature of this relationship for regional peace and prosperity. There is great synergy between these two emerging moderate powers that could provide a joint leadership role for regional cooperation in East Asia (Kumar 2012).

There are several reasons for this. Both counties share strong shared common values in terms of democratic institutions, human rights and pluralism; values that can provide a basic foundation for East Asian community building. Democracy and human rights have become very critical issues for East Asian counties, especially those who have emerged from a rigid authoritarian system and are slowly moving towards embracing democracy. India is the world’s largest democracy, and since democratizing in 1987, Korea has also established itself as a leading practitioner of democratic values. Regional cooperation led by democratic counties should be more acceptable to them than initiatives by authoritarian and hegemonic states.

In addition, the potential for Indian–Korean joint leadership in East Asia regional cooperation is facilitated not only from the regional perspective, but also from the currently prevailing superpowers’ perspective. Due to the fact that the United States still remains an indispensable player in East Asia, the success of multilateralism in the region will largely depend on how the United States endorses new policies and proposals for regional cooperation. India and Korea both enjoy very positive relations with the United States. Thus multilater-
alism led by India and Korea might be more successful, because this would reassure the United States that East Asian cooperation will not move in an anti-American direction. Also, in recent foreign policy initiatives put forth by the United States, India and Korea have been given the status of “most favorable allies.” Here, national interests converge. Any other country or group of countries leading the region may not be able to achieve that level of approval from the United States.

With the non-interference nature of their foreign policies, both India and South Korea’s strategic convergence national interests could be the foundation for regional cooperation in East Asia. For example, speaking against the backdrop of sharp differences among East Asian countries over use of resources in the mineral-rich South China Sea at the seventh East Asian Summit held in Phnom Penh, Indian Prime Minister Manmohan Singh advocated the establishment of a common set of principles and cooperative mechanisms to deepen economic integration to ensure “open, inclusive and rule-based architecture” in the Asia–Pacific region (Hindu 2012). Despite all the changes in its regional perspective in recent years, Korea still remains rooted in its conventional policy which supports rules-based regionalism based on non-aggression and non-interference in the internal affairs of other countries.

Another crucial factor that facilitates a co-leadership position for India and Korea is the growing economic and financial ties between the two economies. With successful implementation of the CEPA between the third and fourth largest economies in Asia, India and Korea have actively initiated one of the earliest trade agreements in East Asia. Moreover, both countries are expanding their trade networks in East Asia, which seems to be paving the way for regional integration. India has actively negotiated and implemented FTAs with East Asian economies, finalized an FTA in services and investments with
ASEAN, implemented FTAs with Singapore and Malaysia, and is presently negotiating with Indonesia and Thailand. Furthermore, a CEPA with Japan has already been implemented.

On the other hand, Korea has also concluded FTAs with ASEAN, Singapore, Cambodia and ASEAN. As previously mentioned, negotiations are also under way for seven new FTAs with Asian countries, including the FTA with China, for which talks have just already started. Korea is also preparing for a trilateral FTA with Japan and China. Therefore, since both India and Korea are very active in pursuing trade agreements in the region, they are in position to share their experience with other Asian countries. Their joint experience and expertise can help formulate the ongoing idea of an East Asian economic community.

Additionally, the announcement of making a taskforce by the Indian government this year to search for a possibility of currency swap cooperation between India–Korea and India–Japan is a good sign pointing towards deepening cooperation. Owing to the fact that India and Korea both are one of the largest foreign currency holders in East Asia, their joint cooperation could be crucial for economic growth and financial stability in the region.

In short, India–Korea cooperation may be crucial to multilateralism in East Asia from a historical perspective. Both counties share a unique historical role promoting harmony in Asia and have high moral historical credentials in terms of having no history of aggression against any other third country. In the last 5,000 years, neither country has ever tried to conquer another land or bring harm to any peoples in East Asia. So, unlike the other regional powers of Japan and China, which have histories of aggression and imperialism, India and Korea enjoy very high moral historical credentials (Singh 2008).
Conclusion

The end of the Cold War and the economic crisis in the late 1990s has provided a new kind of enthusiasm for regional cooperation in East Asia. With the creation of the East Asian Summit and ASEAN Plus Three, a new pro-cooperation environment has been instigated. Yet the prevailing current regional dynamics are impeding this newly generated interest in regional integration and are serving as a source of conflict among East Asian countries. The growth of nationalism, friction over territorial disputes, and a serious deterioration in relations over unresolved historical issues have recently become more intense than the region has witnessed in recent years.

This gloomier picture of East Asia has emerged at a time when there seems to be an overall leadership vacuum. The growth of rivalry between The United States and China and between China and Japan is hampering the possibility of any these major players fulfilling a leadership role for regional cooperation. Likewise, ASEAN's potential for future leadership role is being questioned at a time when it is struggling to keep the organization intact as different member countries have started to pull it in different directions. Certainly in this situation, the responsibility for the further development of multilateralism falls to only two other major players in the region—India and Korea.

In recent years, India's engagement with East Asian countries has changed remarkably on various political, economic, and cultural levels. Korea's foreign policy is also entering into a new phase in which it seeks to overcome a decade-old policy of non-engagement with East Asia. Both countries are also actively engaging each other like never before. Against this background, at this historical juncture the joint leadership of India–Korea could be a decisive factor in the further development of peaceful cooperation in the region.
References


Joo, Jae Woo. 2006. “Korea’s Role in East Asia: Constructing an East Asian Regionalism.” EAI Background Brief, No. 70, January 19.


South Korea’s Middle-Power Diplomacy and the Future of India–South Korea Strategic Cooperation

Sukjoon Yoon

This chapter examines South Korea’s middle-power diplomacy in the context of the strategic cooperation with India which has recently blossomed. Both countries are legitimate middle powers of established international standing. They share many common interests, albeit located at opposite ends of Asia. South Korea in the Asia–Pacific Region, and India in the Indian Ocean Region (IOR), have formed an effective strategic partnership, developing interconnections in many areas including economic, diplomatic, and defense technology cooperation. Their relationship exemplifies a new model for international relations in Asia, where emerging middle powers build a collaborative identity through the shared institutions and norms of their strategic partnerships.

South Korea’s trust-based diplomacy, or “trustpolitik,” and India’s “Look East” Policy (LEP) are based in similar visions, so these foreign policy approaches fit together nicely. (Strachan 2009; Thant 2011; Yoon 2013f). Recognizing that South Korea and India have many of the same objectives in the Indo–Pacific region, a process is now underway to formalize the coordination of their efforts with a variety of bilateral strategic interactions best characterized as “middle-power
cooperation.” South Korean President Park Geun-hye’s visit to India in January 2014, demonstrates the significance of this strategic cooperation to both countries, and marks an appropriate juncture to examine this phenomenon: Does it represent a new type of strategic relationship, and what are the implications for the region and the world? This paper concludes that the strategic cooperation between these two countries foreshadows an emergent trend in which middle powers will cooperate to pursue their common interests, especially to act collectively to resist the outdated domination by the great powers in the Indo-Pacific region.

Great Power Games and the Concept of Middle Power in the Indo–Pacific Region

The Unpredictability of the Great Power Games

Given the hierarchical nature of East Asian politics, what kind of managerial structures are appropriate to the region for the maintenance of order in the Asia–Pacific? With the continuing rivalry between China and the United States, as well as the increasingly parlous relationship between China and Japan, and between South Korea and Japan, it is time to consider establishing a wider network of partnerships, and developing cooperation between acknowledged middle powers, in order to deal with the ambiguous power transition situation in the Asia–Pacific region.

The traditional analysis takes a realist approach, and only gives serious consideration to the great powers, and the rise of China and the declining U.S. influence. However, other powers also have a significant role to play, should they choose to take part (Jordan 2003). These lesser powers are capable of inflicting disproportionate costs,
which outweigh any gains a great power might expect by ignoring their viewpoint; and this implies a somewhat looser balance of power than has so far prevailed. The expression “great power games” is generally used by those studying East Asian international politics to refer to the potentially chaotic power transition from the United States, an established great power that is declining in influence in the region, to the emerging great power, China. Asian politics lacks any generally agreed upon conceptions of power and hegemony, thus scholars and journalists have characterized this power transition in a variety of contradictory ways. For some, it simply implies the transference of power from the United States to China, the state that is now recognized as the dominant regional power. For others, however, the process also entails China stepping up to become a responsible stakeholder in maintaining the regional security structure and preserving the status quo. This latter view is founded upon the emergence of a new type of great-power relations between China and the United States; a vision that was announced by the Chinese leader, Xi Jinping, at the Sunny lands quasi-summit in California last May (Yoon 2013g). Unfortunately, such a vision also admits to a less optimistic interpretation: China is restoring unwelcome traditional power relations throughout the region, while the United States’ influence is steadily waning.

**Insufficient Independent Great Power Capacities and Power Relations**

Theoretically, there are two components to a great power: its independent capabilities, and its power relations with others. Currently, neither China nor the United States has the capability to dominate the region independently, but each must seek support from other regional powers. Goodwill intentions need to be demonstrated to gain this support. China is the only plausible near-peer competitor, capable of resisting
the power influence of the United States. While the United States is clearly trying to maintain its military superiority over this emerging competitor, China’s People’s Liberation Army (PLA) is acquiring brand new asymmetric power projection capabilities (Beckley 2011–2012).

Table 1 charts the limits to the independent capabilities and power relations of the two great powers. Their ability to project their political, economic and strategic will is constrained. The United States cannot entirely preserve the status quo, nor can China freely reset the regional order in a revisionist mold. This latter point has been made clear by China’s over-assertive and counter-productive approach with its neighbors. The United States, on the other hand, is struggling with severe financial restrictions, which have undermined its status as a great power, and its reputation for reliability among the

### Table 1. Comparison of the Great Powers’ Capabilities and Power Relations

<table>
<thead>
<tr>
<th>Great Powers in Asia</th>
<th>Status quo perspective in Asia</th>
<th>Revisionist perspective in Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>Military presence to expand capitalism and commerce</td>
<td>Hegemonic stability based on dominant military presence, ensuring free trade and capitalism</td>
</tr>
<tr>
<td></td>
<td>Security and military alliance and partnership with regional nations</td>
<td>Balance of power with emerging regional powers</td>
</tr>
<tr>
<td>China</td>
<td>Building economic and cultural interactions</td>
<td>New type of great-power relationship anchored in interdependence with regional powers</td>
</tr>
<tr>
<td></td>
<td>Expansion of its sphere of influence through big-small nations relationship</td>
<td>Dominant role: regional interdependence reflects China’s traditional Middle Kingdom mindset</td>
</tr>
</tbody>
</table>

nations of the region.

In fact, the two great powers have been making strenuous efforts to engage with their allies, partners, and like-minded nations to improve existing relationships and develop new ones in an attempt to share their strategic burdens. During the past few years, they have been struggling against one another for the support of the regional nations, and the two great powers are eager to promote such relationships, regardless of whether or not they share land borders or have adjacent maritime littorals. The United States’ “pivot to Asia” strategy has attempted to provide reassurance to its regional allies: Japan, South Korea, ASEAN, India, Australia, etc., though it has been interpreted as primarily a burden-sharing strategy (Forbes 2012). The hesitancy implicit in this U.S. policy has caused the region some severe turmoil, however. Most notably, Japan’s move toward becoming a ‘normal’ nation by implementing a collective defense strategy, and the so-called “integrated mobile defense” policy has caused much tension (Yoon 2014a).

During this time when great power status is being contested in the Asia–Pacific region, both countries are taking steps to secure their positions. Therefore, China would like to reestablish the historical structure of tributary system with its weaker and smaller neighbors, and obliterate the historical humiliation of recent centuries which are perceived as an anomaly (CASS 2014). Thus, last October, China held the Peripheral Diplomacy Work Conference in Beijing to set the direction of Chinese foreign policy over the next five to ten years. The conference declared that “sound relations with neighbors will benefit both China and the region,” adding that “the basic tenet of diplomacy with neighboring countries is to treat them as friends and partners, make them feel safe and help them develop” (Li 2014). Many neighbors remain concerned about China’s intentions; however, since it is apparently attempting to incrementally restore its traditional Middle
Kingdom power structures in various spheres of influence, most notably through the declaration of an Air Defense Identification Zone (ADIZ) over the East China Sea back in November of 2013. China also imposed unilateral fishing regulations in the South China Sea in January of 2014.

The United States, meanwhile, has been trying to enhance its security-related strategic partnerships, and military-oriented alliances in the region. The U.S. Military has played a major role as an honest stakeholder in recent decades, with its presence in the west coast of North America indicating its interest in the region. Under the current financial constraints, however, and the lack of political leverage to exercise independent great power capabilities in the Western Pacific, Washington is now seeking to become a normal power in the region. The priority for the U.S. policy of rebalancing of Asia has been to reduce or eliminate its independent security commitments, and to share strategic burdens with its allies, thus tacitly acknowledging the futility of attempting to sustain its traditional dominance against the emerging capabilities of China (Friedman 2012).

A Middle-Power Opportunity?

Discussions about “power” in East Asia often focus on making a basic distinction between what the Western world prefers, and the means by which East Asia has developed to bring about harmony when coping with a variety of robust differences and disparities within peoples (Acharya 2008). The East Asian understanding of power differs significantly from the Western understanding: Asian traditional thought perceives soft power in terms of harmony （調和）. It is considered more fundamental than coercive hard power, which dominates through force (Wang 2011). Thus, from an East Asian perspective, the concept of power is not definable in a straightforward sense. The maintenance
of power is not a simple matter. Although the East Asian concept includes the use of power to deliver punishment against enemies or barbarians (which can be understood as a coercive expression), many East Asian countries characterize the concept of power primarily in terms of trust, confidence and unity, rather than through hard line actions.

During the last few years, there has been a brief flirtation with the term “G2” to refer to China and the United States; however, most analysts in the Asia–Pacific region now prefer to characterize great-power relations in a new way (Yoon 2013c). One essential aspect of this evolving framework is the role of middle powers, which is managerial rather than decisive. This contributes to the maintenance of order in the Asia–Pacific region through political, military, and economic influence, thereby redefining both Asian and global governance structures (Teo 2013).

The term “middle power” can be inclusively defined as balancing or limiting the exercise of great power through quantitative conditions, such as population, geography, economic, cultural, diplomatic, military or technological capacities. In the context of the unresolved great power games in East Asia, however, middle powers are capable of articulating and applying their own unique ideas and values through harmony, trust, and confidence. This is all the more plausible because the rising great power has yet to find a comprehensive expression of its independent capability, and the established great power finds itself financially curtailed. Although the middle powers’ individual prowess varies across different quantitative attributes, by working in concert across many qualitative categories—by contributing to regional peace and stability, especially by participating in multilateral organizations and networks—they are fully capable of mediating between the great powers or deterring them from actions which disrupt the security of the region.
As Table 2 shows, various middle powers in Asia are well-placed to adopt a responsible role in preserving regional peace and good order, and they have a shared interest in working toward a general harmony. The great powers will continue to play a leading role in regional security dynamics. However, without the restraining capabilities of the middle powers to break the deadlock, the U.S. military rebalancing of Asia that precedes parallel to China’s expanding military and economic power, is a zero sum game. Therefore, middle powers are emerging as important actors in the evolving Asian and global governance structure (MFAT 2011).

In contrast to the self-interest games of the great powers, regional middle powers are able to work together constructively, not only pursuing narrow national interests, but also contributing to regional community-building through bilateral interactions as well as through shared normative frameworks like Asia–Pacific Economic Cooperation (APEC), the Association of Southeast Asian Nations (ASEAN), the ASEAN Regional Forum (ARF) and the East Asian Summit (EAS) (Rana 2011). Middle powers can help both themselves

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Population</th>
<th>Politics/ Diplomacy</th>
<th>Economy</th>
<th>Military/ Technology</th>
<th>Geography</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Korea</td>
<td>H</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>L</td>
</tr>
<tr>
<td>Japan</td>
<td>H</td>
<td>M</td>
<td>H</td>
<td>H</td>
<td>L</td>
</tr>
<tr>
<td>India</td>
<td>H</td>
<td>H</td>
<td>L</td>
<td>H</td>
<td>H</td>
</tr>
<tr>
<td>ASEAN</td>
<td>H</td>
<td>L</td>
<td>L</td>
<td>L</td>
<td>H</td>
</tr>
<tr>
<td>Australia</td>
<td>L</td>
<td>M</td>
<td>H</td>
<td>M</td>
<td>L</td>
</tr>
<tr>
<td>Russia</td>
<td>L</td>
<td>H</td>
<td>L</td>
<td>M</td>
<td>H</td>
</tr>
</tbody>
</table>

Note: H = High-profile independent status; M = Medium status; L = Low status.)
and each other by attempting to build a comprehensive regional security community through shared norms, thus, to some extent, forge a collective identity. The time has come to pursue regionalization through principled ideas and institutions; the era of strategic alliances entirely dependent on military and economic power is drawing to a close.

South Korea’s Middle-Power Diplomacy and Park’s Trustpolitik

South Korea’s Security Dilemma and Middle-Power Diplomacy

The lessons of history make it very clear that the interests of lesser powers, such as Poland in Europe, or Korea in Asia, are often sacrificed on the altar of the great-power accord. At present, Korean policymakers are greatly concerned with stabilizing security, and preserving other Korean interests during the ongoing power transition. In particular, the dual engagement with China and the United States presents a complex security dilemma. For example, South Korea’s flourishing economic interactions with China in no way provide the kind of security assurance that has been supplied by the ROK–U.S. security alliance since the Cold War, yet China is conspicuously warning South Korea to move away from formulating foreign policy and national security strategy that favors U.S. interests at the expense of Chinese concerns (Yoon 2013h). In 2013, China was South Korea’s most important trading partner, and also accounted for the greatest number of tourist visits and other person-to-person exchanges and interactions. By contrast, despite its much vaunted strategic pivot to the Asia–Pacific region, the United States has failed to convincingly demonstrate its continuing commitment in recent years. Thus, with
the looming rise of China, declining political will has reduced U.S. leverage, and this has opened a window of opportunity for South Korea to adopt a broader strategic approach, rather than simply remaining an ally of the United States. Over the last few years, both the United States and China have encouraged South Korea to build up its influence as an emerging middle power, and both view South Korea as a valuable stabilizing force, and perhaps as an acceptable broker, in this most dynamic region of the world.

A nation’s external relations have been theoretically envisioned by two largely synonymous terms, both of which could be adapted and expanded: diplomacy and foreign policy. Whereas the latter may be understood as the substance, aims and underlying attitudes of a nation’s interactions with other nations, the former discusses the instruments employed to put this into effect. In this regard, South Korea’s foreign policy is at a crossroads: in this region, a passive seat at the great-power table can no longer effectively secure South Korean interests, and a much more promising direction is the pursuit of “middle-power diplomacy.” Among South Korea’s more notable achievements are its rapid economic development and continuing growth, which has set the standard that other nations aspire to: multi-polar stability, deriving from numerous free trade agreements, including with the United States and the European Union; significant experience with niche diplomacy in non-military spheres of action, such as humanitarian assistance and disaster relief operations; and successfully managing various contentious disputes, especially the issue of North Korean weapons of mass destruction (Teo 2013). South Korea has consistently worked to build trust, and establish strategic partnerships. No country has a better record of preferring dialogue to conflict, and of striving to reach agreements on norms through formal and informal institutions in the Asia–Pacific region. Taking all this into account, South Korea finds itself uniquely qualified as a geopolitical and geo-
Table 3. Qualitative Analysis of South Korea’s Middle Power Status

<table>
<thead>
<tr>
<th>Principal South Korean perspectives</th>
<th>Preferred International Order</th>
<th>Primary Mode of Interaction between Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Community-building through shared normative frameworks, rather than power maximization</td>
<td>Regional and global security communities forged through shared norms and collective identity, rather than dependent alliances based on military and economic power</td>
<td>Regionalization through principled ideas and institutions, rather than narrowly state-centered interests</td>
</tr>
</tbody>
</table>


South Korea’s Middle-Power Diplomacy and the Future of India–South Korea Strategic Cooperation

South Korea’s economic enabler, and its middle-power diplomacy is becoming evermore important in both Asian and global governance structures. Table 3 analyses South Korea’s middle-power diplomacy in qualitative terms, showing that its strategic role in this region is best appreciated in this way, rather than in quantitative terms.

South Korea’s middle-power diplomacy is expressed across a wide sphere of influence, including its overseas trade, external investments, external humanitarian aid, expanding tourism, and cultural endeavors, by way of the “Korean Wave” (MFAT 2011). Its economic clout and stable political system may afford it some influence as a role model, or as a go-between capable of deterring the great powers from unwanted conflict and confrontation (Teo 2013). It grows ever more obvious that South Korea must confront the challenge of striking a political, economic and military balance in an era of Sino–American rivalry (Yoon 2013c). Its relations with the United States and China need not be forever trapped in a zero-sum game, and the subtle exercise of middle-power diplomacy surely offers the best chance of accommodating the rise of China, while continuing to be on good terms with the United States (Yoon 2013j). Indeed, South Korea’s
perceived neutrality has already led both great powers to come courting, in hopes of developing closer cooperation: President Obama and the U.S. Congress were (unusually) united in their approbation during President Park’s visit to Washington in May of 2013, and the new Chinese leadership provided an effusively warm welcome for her visit to China in June of 2013.

Three Strategic Options for South Korea’s Middle-Power Diplomacy

South Korea can plausibly apply its middle-power diplomacy to implement three strategic options. First, South Korea should reshape its security strategy by taking advantage of the comparative cordiality of great powers: one that is assertive and one that is faltering. As a peninsular nation at the intersection between maritime power and continental power, Korea has often faced similar situations in the past. Given that the current circumstances of the great powers means that they are expected to express their goodwill toward the Republic of Korea, this is the optimal moment to extend the scope and depth of South Korea’s middle power capabilities.

Second, South Korea should enhance its political and economic relations with middle-power countries beyond the northeastern sub-region of Asia. By cooperating with such countries, it will accumulate additional economic and political capabilities. President Park’s visit to the southeastern Asian sub-region in June of 2013, including Vietnam, offered strategic development in exchange for peace and partnership, and Vietnam now appears responsive to these fresh approaches which move beyond simply engaging more with a divided country (Yoon 2013i). Park’s visit to India in January of 2014 was a particularly important step in the development of South Korea’s middle-power
status, with the Korea demonstrating its capability to build strong and mutually beneficial relations with other middle powers, well outside of East Asia (Yoon 2014b).

Third, South Korea should take a pragmatic approach in balancing its expanding relationship with the emerging China, against its security alliance with the faltering United States (Ahrari 2014). President Park can readily exploit her personal history to build up a good image among the Chinese people, and this appears to be window of opportunity for her to attract more than just verbal support from the Chinese. She is the first female president in a male-dominated Confucian society, and her father, President Park Chung-Hee, is somewhat analogous to Deng Xiaoping, in that they both rebuilt a sickly nation into a strong one during the 1970s and 1980s.

Park’s fresh approach toward China, in the spirit of genuine cooperation, has actually prompted the United States to reassess its security alliance with Korea to identify areas of common interest, and to give more weight to the South Korean perspective than ever before. This has sent a clear signal to South Korea’s enemy, North Korea, and also to its potential adversary, Japan, which has conspicuously failed to maintain its balance between China and the United States.

The Significance of “Trust” for Park’s Middle-Power Diplomacy

For South Korea, “trust” is at the core of President Park’s middle-power diplomacy, and central to its implementation (Yoon 2013b). Facing the strategic dilemma previously outlined, trust provides a mechanism through which fresh initiatives can be generated to provide more freedom of action. Park’s approach, which is generally termed “trust-based diplomacy,” (though the phrase “Confidence-Building
Process on the Korean Peninsula” is also used), is aimed at reducing strategic uncertainty, and moving toward greater peace and stability throughout the region (Ministry of Unification 2013). There are two simultaneous initiatives: the “Northeast Peace Initiative” and the “Eurasian Initiative.” Both rely upon trust-based middle-power diplomacy for their implementation.

There are many reasons to emphasize trust. First, at the Six Party Talks intended to establish a framework for peace on the Korean Peninsula, South Korea has frequently expressed its dissatisfaction with the positions of China and Japan, and accused them of insincerity over policies of engagement with North Korea. While China is supposed to be trying to promote engagement with North Korea, the United States is consistently attempting to exert political leverage to restrain China’s interaction with North Korea.

Second, and most importantly, President Park has found trust to be a particularly valuable tool in her dealings with more remote neighbors, particularly Vietnam, India, Australia, and ASEAN members. Her unique and independent foreign policies have proved profoundly effective, and these countries are becoming attractive and appreciative strategic partners (Teo 2013). From a South Korean perspective, these countries are perceived to have some degree of strategic freedom, as they appear to be less reliant on U.S. policies intended to counter the rise of China. Thus, they can sympathize with the aims of South Korea’s middle-power diplomacy, and share an interest in striking a balance between the emerging and declining great powers without disrupting the existing security framework. Park’s participation in the 2013 ASEAN meeting and the East Asian Summit (EAS), together with her visits to Vietnam, and to India in January 2014, reflects the common theme of trust-based middle-power diplomacy (Yoon 2013i).

Third, in response to the winner-takes-all focus of the great
power games, President Park is committed to establishing South Korea as a legitimate, acknowledged, and effective middle power. In cooperation with other middle powers, the aim is to maintain the current regional status quo, by resisting Chinese aspirations for a “Chinese Dream” (中國之夢). These aspirations imply the restoration of a traditional Middle Kingdom order, and mounting a united response to the incoherent Asia–Pacific strategy of the United States, which its allies and partners perceive as deficient in both resources and political will (China Daily 2013). Chinese historiography views the issues of territorial integration, irredentism and mutual distrust as the most serious challenges to its national interest, and naturally maneuvers toward the traditional Middle Kingdom mentality as a way to overcome China’s perceived inferior position (Li 2014). In China’s view, the current Diaoyu/Senkaku Islands dispute is derived from the Cold War era, during which period China’s rights and interests were given insufficient consideration. China argues that the 1953 San Francisco Peace Treaty, which was signed without China’s formal participation, has frozen these unfair arrangements.

For South Korea to maintain and improve its position as a middle power, President Park should continue to build connections with other powers of similar standing across the broader region and throughout the Asia–Pacific. Trust is the most functional tool she has available to try to alleviate South Korea’s pressing security concerns. It is a basic tenet of her middle-power diplomacy to treat other middle powers as strategic partners. Since her inauguration, in February 2013, Park has striven to maintain parallel but equidistant relations with both the great powers, while simultaneously reaching out to all those nations which can be considered middle powers in order to pool their influence for the common good, and to escape from the polarization of the great power games (Yoon 2013d).
Developing a Strategic Relationship Between South Korea and India

Why India?

South Korea’s relationships with the great powers are no longer overwhelmingly dominant, and consequently, strategic cooperation with a secondary category of powers and influences is now more important than before, hence the concept of “middle power.” However, while the great power games continues between the emerging China and the declining influence of the United States, if the middle powers of the region are to make a useful contribution, they must leverage their capabilities by forming networks in which they collaborate for mutual benefits and for common welfare. Where an independent middle power acting alone might be perceived by the great powers as merely an irritation, by fostering strategic cooperation with other regional middle powers, the wider influence and more robust capabilities that result, can do much more to restrain the selfish excesses of the great powers in the context of regional security.

Perhaps the best example of such strategic cooperation is the developing interconnections between South Korea and India, which have been evolving since the turn of the century (Yoon 2014b). But why is India being described as a “middle power?” It is quite understandable that many Indians would feel unhappy at this characterization, and naturally consider India to be a big and important country. However, as discussed earlier, the use of the term “middle power” does not measure any quantitative aspects of a country, whether large or small, but applies very specifically to those countries which are qualitatively capable when necessary, of exerting appreciable influence upon the great powers. With India’s geographic and demographic status, with no intention to belittle Indians’ pride in their country, it
would be accurate to describe India as a legitimate middle power for the following reasons.

First, India has great strategic value and influence by its role in protecting one of the most important long-distance Sea Lanes of Communication (SLOCs), which connects the Indian Ocean and the Pacific Ocean (Bateman, Chan and Graham 2010). India has devoted considerable strategic resources to monitoring and sustaining the interconnections between the Middle East and East Asia via the Indian Ocean. The Indian Navy has significant ocean-going operational capabilities, and it is more than capable of preserving maritime peace and good order throughout the IOR with its refurbished aircraft carriers and naval air wings. Two indigenous aircraft carriers are also under construction (Basrur 2013).

Second, since it began opening up its economy by implementing reforms in 1991, India has sought to build strategic partnership relations with various countries throughout the world, including with some nations in the East Asian region like China, Russia, Japan, South Korea, Australia and some members of ASEAN. India’s Look East Policy is designed to create interconnected economic and strategic relations with East Asian countries, such as Australia, China, Japan and South Korea, and also with the United States. India is also one of the “G4” nations, together with Japan, Germany and Brazil, which support one another’s bids for permanent seats on the UN Security Council.

Third, historically, India has pursued a non-aligned foreign policy, and has taken a pragmatist stance toward the United States, Russia and China, successfully playing them against each other (May-ilvaganan 2013). This makes India a relatively approachable strategic partner with few political or military restrictions interfering with building a relationship. India continues to be involved in a diverse range of strategic and global partnership relations with the major
powers of the region. There is a global partnership with the United States (President George W. Bush visited India in 2005 with bilateral naval exercises in the same year), a strategic partnership with China (Premier Wen Jiabao visited India in 2005 and bilateral naval exercises were also conducted) and with Japan (Prime Minister Shinzo Abe visited India in January 2014, after trilateral naval exercises between India, Japan and the United States had been held in Japan in 2007), and a long-standing strategic partnership with Russia (President Putin visited India in 2007, and there are many links between the two militaries).

The Importance of India to South Korea

In the last few years, as the competition between a rising China and the declining influence of United States has grown more problematic. East Asian nations have started to appreciate the benefits of Asian security cooperation between the East and the South, and so have sought to diversify the regional security framework. Japan has led the process of coordinating its strategic cooperation with India. South Korea and some ASEAN members are also moving in a similar direction.

In fact, there is ample reason for South Korea to want strong relations with India. First, South Korea recognizes the value of India as a legitimate middle power. It is more than simply a large, important country. It is also capable of reflecting its actual international status and its capacity to exert effective influence upon the intractable great power games in the region, by standing between the rising power of China and the declining power of the United States.

During the early period of diplomatic relations between South Korea and India, there were very few substantive political, military and economic exchanges, and little complementary interactions. Since the
turn of the century, however, the bilateral relationship has changed its character, becoming an important locus of strategic cooperation. Indeed India’s influence upon South Korea has definitely increased since the inception of India’s Look East Policy, which explicitly targets East Asia. South Korea has a strong interest in the strategic value of India; seeing it as a very useful partner much respected by other middle powers. India is capable of exerting appreciable marginal influence, and can play an important role in building middle-power cooperation to contain China’s attempts to restore or establish a new regional order. This new order is reminiscent of the Monroe Doctrine promulgated by the United States in the nineteenth century. The twenty-first century Chinese version is called the “Chinese Dream” (Zhongguo meng) (Yoon 2013a).

In 2004, President Roh Moo-Hyun visited India, and the two countries agreed to set up the so-called “Comprehensive Economic Partnership Agreement (CEPA).” Indian President Abdul Kalam made a state visit to South Korea in 2006, and in 2010, Korean President Lee Myung-Bak visited India to celebrate the successful completion of negotiations for CEPA. In 2007, India was South Korea’s 14th most valuable trading partner, and South Korea was India’s 10th. India has more than 1.1 billion people, a huge consumer market for this vast population, with economic growth exceeding six percent per year over the last decade (Yoon 2014b).

Another reason for South Korea to value strong relations with India pertains to South Korea’s reliance upon long-distance sea-borne trade: between the overseas markets, resource-exporting depots, and the major ports of the Korean Peninsula, SLOCs are exposed to many threats. Since the late 1990s, South Korea has established close and cooperative maritime relationships with countries whose littorals are adjacent to important SLOCs. These include Indonesia, Malaysia, Singapore, and India. South Korea demonstrated its commitment to
SLOC security by dispatching the Cheonghae Naval Task Force, led by a KDX-II destroyer, to counter the threat of Somali piracy in the Gulf of Aden and the Indian Ocean (Yoon 2011). This force is participating in the activities of the U.S.-led multinational naval coalition, CTF-151, and in various bilateral naval collaborations with participating countries’ naval units. For example, during February 2014, the Cheonghae unit conducted anti-piracy operations with both Ukrainian and the United Arab Emirates Naval Forces in the Gulf of Aden. Clearly, the protection of the SLOCs through the IOR entails close naval cooperation between South Korea and India.

The growing importance of relations between South Korea and India since the turn of the century is readily demonstrated in economic, strategic, and military terms. Both these young and energetic countries have been focusing on middle-power diplomacy, and this has resulted

<table>
<thead>
<tr>
<th>South Korea → India</th>
<th>India → South Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Politicians</strong></td>
<td><strong>Military</strong></td>
</tr>
<tr>
<td>Special Envoy of President Lee Kiho in 2002</td>
<td>Admiral Lee Soo-young in 2001</td>
</tr>
<tr>
<td>President Roh Moo-Hyun in 2004</td>
<td>–</td>
</tr>
<tr>
<td>President Lee Myung-Bak in 2010</td>
<td>Defense Minister Kim Jang-soo in 2007</td>
</tr>
<tr>
<td>President Park Geun-Hye in 2014</td>
<td>Admiral Jung Ok-keun in 2008</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Politicians</th>
<th>Military</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Minister’s Special Advisor Shivshankar Menon in 2013</td>
<td>Defense Minister Raksha Mantralaya in 2010</td>
</tr>
</tbody>
</table>

Table 4. High-level Interactions between South Korea and India
in a variety of high-level political and military interactions in recent years. Table 4 compiles a list of high-profile figures exchanged between the two countries to promote security and military cooperation. These include both political-military consultations and military-military dialogues. Strategic cooperation has become closer and more substantive since Lee Myung-Bak’s visit to India in January 2010, when a structure for “South Korea–India Strategic Cooperation” was agreed upon between New Delhi and Seoul.

The two countries signed a Memorandum of Understanding (MoU) on bilateral defense-logistic cooperation in May 2005, and a MoU on bilateral defense research and development cooperation in September of 2010. Since 2006, the two countries have held regular meetings at cabinet minister level to discuss security and diplomatic issues, and in 2007, a joint defense-logistic cooperation committee was established. Taken as a whole, the strategic cooperation between South Korea and India is very strong, and represents a remarkable endorsement of the benefits of middle-power cooperation.

**Ramifications of President Park’s January 2014 Visit to India**

In June 2013, the Indian Prime Minister, Manmohan Singh, sent a special envoy, Shivshankar Menon, to Seoul, which resulted in a successful visit to India by Park Geun-Hye, the first ever by a South Korean President. This visit, from January 16–18, 2014, to the only emerging middle power in the IOR, sheds some light on Park’s middle-power diplomacy. By itself, South Korea, although a genuine middle power, can exert only a limited and selective amount influence upon the great power games, but by networking with other middle powers like India, might be more possible (Yoon 2014b).
Instituting a New Type of Middle-Power Cooperation

Facing profound changes in the geostrategic environment, with the United States’ wavering influence, and China’s stridently assertive influence, India and South Korea are well suited to initiate a new kind of middle-power cooperation. By working together, they could do much to offset the prevailing antipathy between China and the United States, and may ultimately provide the impetus for a transformation of the regional security environment.

There are three imperatives driving South Korea and India to band together in middle-power cooperation. First, the current geographical divisions need to be replaced by a regional hierarchy that better reflects Asia’s economic importance. Asia accounts for 57 percent of global GDP, and 48 percent of global trade volume. India’s economy is growing at six percent and it is an established nuclear power. South Korea continues to prosper, as shown by its “Creative Economy Initiative” at the 44th World Economic Forum (WEF) in Davos. Second, recent conspicuous shifts in the longstanding Great Power Games, oblige Middle Powers functioning individually to gamble for high stakes. This dilemma can only be effectively finessed by cooperating with other middle powers to encourage a new type of great power relations in which the existing vague and ambiguous security arrangements are reformulated. Third, regional rivalry between China and the United States, and also between China and Japan, has diplomatically marginalized other nations, impacting their ability to build partnerships based on trust, and limiting the scope for strategic cooperation among the middle powers.

This principle of middle-power cooperation is an overarching concept through which the Asian nations, with their diverse and disparate interests, can bridge the wide gaps among their policies and capabilities, and leverage their influence against the great powers. By
taking advantage of the web of economic and strategic interconnections which already exist, the middle powers can play a mediating role in mitigating economic and security disparities among the regions of Asia (Teo 2013).

**Countering the Rise of China**

Both South Korea and India have been unsettled by China’s recent military and strategic expansion. Since 2010, the countries of East and Southeast Asia have been witnessing the emergence of a Chinese version of the Monroe Doctrine. There is a widespread perception in South Korea that the Chinese are seeking to reestablish their former dominance in the region, and that their behavior implies the resurgence of a traditional Middle Kingdom mentality. In the maritime domain, China’s approach closely resembles the Monroe Doctrine adopted by the United States in 1823, to resist the interference of the great European powers (Yoon 2013a). The situation is not completely analogous of course, but it is similar to the way in which China has proved to be unwilling to tolerate any third-party involvement in its jurisdictional disputes with the weaker nations of the region. China treats its interests in the South China Sea, East China Sea, and Yellow Sea as crucial to its emergence as a great power, and for South Korea such assertiveness is disturbingly reminiscent of the regional order which prevailed during the Middle Kingdom era.

South Korea’s maritime concerns are paralleled by India’s inland troubles. Although India and China have recently resumed bilateral military interactions after a gap of three years, relations have been seriously affected by China’s attempts to increase its influence near its border with India and throughout the IOR (Thant 2011). There was a serious incident in April 2013, when the People’s Liberation Army intruded into territory claimed by India in the Depsang valley of
Ladakh. They established an encampment 19 kilometers beyond the “Line of Actual Control” (LOC) which marks the de facto border between the two countries, withdrawing after three weeks. India is concerned with Chinese military expansionism, and one outcome of the summit meeting between Prime Minister Singh and President Park, is the Agreement on the Protection of Classified Military Information which appears to cover the sharing of classified strategic intelligence between them, and forbids the further sharing of such information with any third parties (obviously including China, but presumably the United States as well) without prior written approval (Yoon 2014b). With India and South Korea being separated by thousands of kilometers, the signing of this agreement supports the growing importance of middle-power diplomacy in Asia. The expression “String of Pearls” is sometimes used to describe China’s extended network of military, commercial facilities, and relationships, and South Korea and India are situated at the opposite ends of the string. Therefore they play a special role in containing Chinese expansionism.

Responding to the United States’ Rebalance of Power in Asia, and to Japan’s Isolation

The United States is in the process of shifting its military emphasis away from Iraq and Afghanistan and pushing it toward East Asia. Insofar as this is intended to counter the Chinese military expansion in the Eastern Seas and the Indian Ocean region, this United States’ “pivot” or “rebalance” will impact the policies of South Korea and India. Moreover, the United States is suffering serious constraints to its defense budget, and is therefore seeking to extend or establish strategic cooperative partnerships with its allies, partners, and like-minded countries across the whole of Asia. Military-to-military contacts between South Korea and India have been developing gradually, and have so
far remained low-profile. Such cooperation, however, is now sending a clear message that there is an emerging regional consensus for the United States to do more to responsibly manage instabilities in the Asian region, and for the Chinese to moderate their increasingly strident policies.

The development of a closer relationship between South Korea and India also sends signals to other interested parties, not least to Japan. Recently the Abe government has been seeking to restore its relationships with South Korea, the Association of Southeast Asia Nations (ASEAN) and India, as it seeks adept and reliable regional partners. In practice, however, the Japanese government continues to disappoint, as could be witnessed by their inadequate response to the Fukushima nuclear accident, and their persistent failure to acknowledge past transgressions like the comfort women issue. For the time being, Japan remains isolated, and middle powers like South Korea and India are understandably looking to loosen the constraints of the existing great power system (Pandaz 2011).

The North Korean Factor

South Korea and India are also well aware of the links between their respective adversaries, North Korea and Pakistan, perhaps with China as an interlocutor, through which they have exchanged sensitive nuclear and missile technologies (Barnett 2004). Indeed, Pakistan has long been recognized as a serial proliferator of weapons of mass destruction, selling its nuclear know-how to Iran, Libya, and North Korea. But Libya’s nuclear program has since been terminated, Iran’s nuclear program was subject to inspection by the International Atomic Energy Agency from 2004 to 2009, and the recent Geneva Interim Agreement mandates daily inspections, and charts a course toward the comprehensive dismantling of any nuclear weapons programs
In the case of North Korea, however, an uncontrolled nuclear program is still continuing, with the clandestine assistance of the well-known Pakistan nuclear scientist, Dr. A.Q. Khan, who has provided substantive support to North Korean scientists in the development of nuclear fuel enrichment technologies (Schmidt 2009). After meetings between the National Security Advisors of India and South Korea, it seems that India is now paying closer attention to this issue. In addition to agreeing to protect each other’s military intelligence regarding North Korea and Pakistan, they have also taken a common position in condemning the exchange of sophisticated nuclear and missile technology between North Korea and Pakistan. In addition, India has offered South Korea the use of its satellite launch facilities on a commercial basis, which might enhance South Korea’s intelligence gathering capabilities. During Park Geun-Hye’s visit to India, it was reported that the President was considering taking up this offer in the near future.

**Future South Korea–India Strategic Cooperation: Hedging the Dominance of the Great Powers**

The analysis presented herein is not without its criticisms. Some acknowledge middle power cooperation between South Korea and India as a good thing, but have doubts about whether or not it can ever be a substitute for the constraining role which the United States continues to play in East Asia. Others suggest that the Obama administration is doing a credible job of sustaining a balanced American presence in turbulent regions like Ukraine, Syria, and Pakistan, while continuing to contain China in East Asia. They dispute the description of the United States as “faltering” in the Asia–Pacific, and challenge the
idea that the United States’ influence is in decline. Of course, the United States is also paying close attention to the tensions in Ukraine. Some have argued that any and all Chinese assertions of sovereignty must be seen in the context of the global U.S. military preeminence, which still presents an effective constraint. In the final analysis, however, middle-power cooperation, and diplomacy offer the best option for maintaining stability during the ongoing power transition, at least in East Asia, between the United States and China. All things considered, the network of connections being formed between South Korea and India—political, commercial, and military—represents the best and most viable example of the kind of middle-power cooperation and diplomacy which the region needs, if it is ever going to evolve a security framework to match its economic development. Other middle powers can surely learn from this example.

Is the successful strategic cooperation between South Korea and India really capable of inspiring a complete makeover of the way middle power is perceived? Only time will tell. Of course, at the most basic level, they share a common interest in maintaining peace and stability in the Indo–Pacific, and it makes sense for the regional middle powers to adopt a more cooperative and collective approach to a broader range of issues; building middle-power networks, for example, to address non-military security issues. President Park’s visit to India in January 2014 raises the real prospect of a new type of middle power cooperation between South Korea and India, but the future development of the relationship faces significant challenges. Until the two countries have had the opportunity to demonstrate their continuing commitment to each other, the benefits should not be overstated. Still, confronting China’s inexorable rise and the unwelcome decline in the regional influence of the United States, this very promising middle-power cooperation between South Korea and India is a valiant attempt to strike a strategic balance in their relations with the
two great powers.

In the midst of the power transition prompted by the rise of China, middle powers need to find a way to move closer to one another without overtly slighting the great powers. Bilateral strategic cooperation between South Korea and India should provide the space for middle powers to adopt a gradualist strategy and maintain a strategic equilibrium between the great power games as a short term policy (Yoon 2014b). In recent decades, cooperation amongst lesser powers has been built around ever-increasing economic ties, as well as trying to influence the great powers to contain the recurrent threats arising from the competition between them. But now these lesser powers have evolved into middle powers, whose power and influence, at least collectively, can no longer be neglected by the great powers. To make any further progress, South Korea and India must take every opportunity to understand one another’s perspective, feeding this input back to rework the scope and depth of their cooperation. This deeper understanding will allow more sophisticated policies to be developed, which can lay the foundations for a true regional security framework.

South Korea and India should move in concert, gradually overhauling their attitude and approach toward the great powers, but always in a coordinated manner. Instead of the middle powers trying to strike a precarious balance between the two great powers, middle-power cooperation between South Korea and India could be extended to facilitate genuine regional security cooperation among other middle powers as a long term goal. There have been various successful bilateral summit meetings recently among the other entities that can be characterized as middle powers, and they all seem to be on the same page as far as regional security is concerned. ASEAN and Australia are the most obvious candidates for participating in a broader strategic cooperation with South Korea and India, but the all parties concerned are
currently sheltering under security umbrellas provided by the great powers. Of course, the prospect of much closer cooperation among their allies, partners, and neighbors is not entirely welcomed by the great powers, which fear sudden changes in the regional order and the status quo. South Korea and India have, however, made headway, and they deserve the support of the great powers in their quest to establish a new paradigm of middle-power cooperation, which has the potential to deliver a stable and enduring security framework from which all nations would benefit.

Conclusion

There is an emergent community based on middle-power cooperation, and South Korea and India are pioneering a new type of collaborative regional middle-power structure in which the middle powers act as intermediaries between the great powers. Indeed, President Park’s middle-power diplomacy has already taken some useful steps in this direction. The National Security Council Dialogue between South Korea and India continues, and there are plans to update the Comprehensive Economic Partnership Agreement between the two countries. After her summit with the Indian Prime Minister, Park presented her ideas on Trustpolitik at the 44th World Economic Forum in Davos, referring to the Northeast Asia Peace Initiative (a.k.a. Seoul Process) as having been inspired by German reunification. She mentioned they had also learned some lessons from the experiences of ASEAN. All of these moves can be interpreted as the building blocks in the construction of a more extensive and effective form of middle-power cooperation. The countries of East Asia depend enormously on each other economically, but their cooperation in politics or security is desultory by comparison, and this paradox provokes a vicious circle of mistrust. Presi-
dent Park’s middle-power diplomacy offers a chance to escape this
dangerous and destructive situation by building trust incrementally,
through frank and concerted efforts in small but meaningful dialogues.

References

in Asia.” In David Shambaugh and Michael Yahuda, eds., International

Ahrari, Ehsan. 2014. “Response to PacNet #10 ‘Middle-Power Cooperation
between South Korea and India: Hedging the Dominance of the Great
Powers.’” PacNet, no. 10, February 3.

Asan Institute for Policy Studies. 2013. South Korea in a Changing World:
Foreign Affairs: Results of the Asan Institute’s 2012 Annual Survey of

Barnett, Thomas. 2004. The Pentagon’s New Map: War and Peace in the Twenty-

Singapore: S. Rajaratnam School of International Studies.

Bateman, Sam and Jane Chan, and Euan Graham, eds. 2010. ASEAN and the
Indian Ocean: The Key Maritime Links. Singapore: RSIS.


Academy of Social Science.


vol. 138, no. 10 (October), pp. 16–21.

Institute Proceedings, vol. 131, no. 3 (March), pp. 50–55.


______. 2013c. “A New China Policy for South Korea: Options for President-elect Park.” RSIS Commentaries, no. 23, February 7.


______. 2013e. “Why Was North Korea in Such a Hurry with its Missile and Nuclear Tests? The Challenges for 2013 and Beyond.” PacNet, no. 16, March 6.


______. 2013g. “A New Type of Great-Power Relations and its Implications for South Korea.” PacNet, no. 40, June 18.

______. 2013h. “South Korea’s Debates on China’s North Korea Policy.” PacNet, no. 55, August 26.


146 South Korea–India Strategic Cooperation

South Korea and India: Imperatives for Deeper Strategic Engagement

Lakhvinder Singh

In recent years India–Korea ties have shifted into a higher gear. The fast changing strategic environment and economic dynamism of both countries are spurring this shift. The changing East Asian regional order has brought the two nations closer together, culminating in a major “strategic partnership” proclaimed in 2010. China’s rise and its growing assertiveness play a major role in the strategic thinking of both countries, as does the declining U.S. influence in the region.

With the waning U.S. influence and the general rise of Asian economies, the regional security architecture is under pressure. A new power struggle is underway in this vast resource-rich zone, raising fears of the possible breakout of war between contending parties. Both Korea and India have strong interests in keeping the peace in this emerging new Asian order. Both countries value international law and its role in shaping this new order. Hegemonic control of the region by emerging powers is not a desideratum. Politically both India and Korea find themselves on the same side of the political divide. While many countries in Asia have failed in their democratic experiments, India and Korea have emerged as successfully functioning democracies. As such, they share many values and beliefs and common vision for Asia. Both have a great interest in the promotion
of freedom, rule of law, and democracy in the region.

Today, a unique synergy exists between the two economies. While Korean companies have strong cutting-edge technologies and financial capabilities, Indian companies have skilled human resources. Since the Comprehensive Economic Partnership Agreement (CEPA) was signed in 2010 their bilateral trade has been growing. From a level of $11 billion in 2007, trade is estimated to reach $25 billion by the end of 2015. The high scale of economic exchanges between the two countries is expected to push New Delhi and Seoul toward more rounded development of their relations.

Various political, strategic, and economic factors are thus shaping India–Korea ties. However, high-sounding agreements aside, future-oriented policy measures are needed to take the relationship to a higher level, especially in the realm of strategic convergence and policy alignment.

**The Changing Strategic Horizon in the Asia Pacific**

After enjoying relative peace and stability during the Cold War years, the Asia–Pacific is once again staring at competition and rivalry from newly emerging powers. While economic expansion has led to closer relations in the region, it has failed to suppress political tensions and historical legacies. While conventional wisdom suggests that closer economic relations lead to closer political and security ties (Copeland 1996; Moravcsik 1997), this has not happened in East Asia. On the contrary, all of the great powers—including the United States, Russia, China, Japan—despite having strong economic relationships, are contesting for political and strategic influence. For instance, the fight for the region’s maritime “commons” is intensifying (Auslin 2013). Countries in the region (including Japan, which so far has been
following pacifist policies) are upgrading their militaries capabilities. Hegemonic ambitions, energy scarcities, and desire for control of sea lanes of communication (SLOCs) are causing increasing competition in the region. Due to various internal and external pressures, these countries are refusing to give in to each other’s demands. As a result, “parochial and narrow nationalism” has been growing in the region (Singh 2008a).

Regional observers are predicting that if China’s current rate of growth continues over the next decade, it might surpass the United States by 2030 (if not earlier) to claim the top economic position in the world (Stancil and Uri 2010). What will however differentiate the position of the United States from that of China as an economic superpower is that, “while the U.S. was already fully developed and thus has very limited scope for further growth, China in 2030 may occupy the number one economic position and yet might still be ‘developing’ with further potential of growth over the next few decades” (Singh 2010b). Economists estimate that in the second half of this century, China might boast an economy of between $60 trillion to $75 trillion, which is something unheard of in the annals of economic history (Singh 2010b). It will clearly have vast strategic implications not only for the region but also for the rest of the world.

The United States, which has been the most powerful state in the region and which was able to keep peace there by deploying robust military force and a complex economic diplomacy, is no longer enjoying the power supremacy it once enjoyed. The Asia–Pacific, which has been a secure area of the globe for many years in large measure, because of U.S. strategic primacy is heading toward a very uncertain future. The economic changes occurring in the region have started bringing about a redistribution of strategic power. The rise of other regional economies is also having a significant effect on the overall balance of power (Mearsheimer 2010). The long-existing mili-
tary power gap between the United States and China is narrowing, and if this trend continues, China will eventually be able to openly challenge U.S. strategic primacy. The United States may stay active in the region for some time to come but its days of “total preponderance of power” are soon coming to an end (Grudgings 2013).

Today, the most important question facing the region is whether China will be able to rise peacefully as is being suggested by Chinese leaders (Liu 2010). Given the problems China faces both internally and externally many countries doubt this (Mearsheimer 2010). In this transition phase, given the uncertainty about the future of China, the chances of instability in the region has increased significantly (Bernstein and Munro 1997).

The United States is aware that its days as a hegemonic power in the region are over. The ‘Garrett Plan,’ designed by U.S. Marine Colonel Pat Garrett for the Pentagon, gives significant insight into U.S. thinking of how the United States is going to counter China if the United States is pushed out of the “first island chain”—that is, the Korean Peninsula, the Kuril Islands, Japan, Taiwan, Philippines, Indonesia and Australia—by building a second line of defense at the “second island chain”—that is, Guam, the Northern Mariana Islands, and Caroline Marshall and Solomon Islands. The escalating strategic competition between the United States and China could prove very dangerous for the region, especially in the South China Sea where growing Chinese naval power is confronting the U.S. Navy on a daily basis (O’Rourke 2013).

Given the rise of Chinese economy and military power, it is quite possible China might want to restraint United States out of the region, just as the United States did in the nineteenth century when its Monroe Doctrine in effect threw the European powers out of the western hemisphere, i.e., Latin America. The first signs that China intends to follow its own version of the Monroe Doctrine have
already started appearing as it has started to insist that the United States will not be allowed to interfere in the South China Sea, which China views as an area of its own “core interest” (Wong 2010). In the light of China’s recent foreign policy moves, it is just a matter of time until leaders in Beijing start to regard other areas such as the Yellow Sea and the Korean Peninsula in the same way. The fact that China is not comfortable with the United States intruding in its waters became clear in July 2010 when China seriously objected to joint U.S.–ROK naval exercises (Frankel 2011). Faced with this pressure from Beijing, the joint exercises were moved to the East Sea—which says something about changed power equations in the region. China’s seriousness about its claims in the region was confirmed when it announced an East China Sea Air Defense Identification Zone (ADIZ) in December 2013. Under this plan all unidentified aircraft are liable to be interrogated and, if necessary, intercepted for identification before they cross into sovereign airspace. That China is claiming most of the East China Sea as its ADIZ can give some insight into its future security policy thinking.

Given China’s behavior, it is quite natural to think that China may also try to restrict other powers in the region which it views as possible competitors. Consequently, China sees a growing Indian interest in the region as a threat, and has objected seriously to Indian naval activities and oil explorations in the South China Sea (Keck 2013).

China’s rise is not the only factor which is causing a power shift in the region. Many other small countries with abundant natural resources and strong economies are more assertively trying to protect their domains. The nature of this power struggle is becoming complex and multidimensional (Goh 2008). The economic fabric of the East Asia region is transforming. The region is getting richer by the day and includes some of the fastest growing economies in the world. Its
combined economic strength now constitutes the largest economic region in the world (Singh 2008b). Given its future economic prospects this area is getting attention from all the major powers in the world.

The changing strategic environment has left Korea concerned (Snyder 2003). The U.S.–ROK alliance, which has played an important role in preserving peace and security on the peninsula, has come under serious question. Given the ‘power shift’ in the region, questions are being asked about the relevance of the U.S.–ROK alliance in Korea’s future security paradigm (Gallagher 2010). South Korean leaders have started looking for alternative options for national security. Here, India for the first time has started appearing on the radar of Korean strategic thinkers (Lee 2011).

For a long period there has been what is referred to as a “strategic de-linkage” between Northeast Asia and South Asia. The realities of Cold War rivalry reinforced this separation; but the changed realities of the post–Cold War era have started bringing the two sub-regions together. For India and South Korea, the convergence of interests began when North Korea and Pakistan started helping each other in their respective nuclear and missile programs (Frankel 2011). Initially ignored by the Indian and South Korean governments, this alarming partnership between North Korea and Pakistan started getting attention of the academic communities of both Korea and India. That this nuclear trade between North Korea and Pakistan was all done with the blessing of China introduced a new strategic factor into the problem and made Indian and South Korean strategic thinkers consider greater strategic cooperation of their own (Singh 2004). Security analysts asserted that “China’s motive in assisting Pakistan’s missile program was first and foremost aimed to ‘help’ Pakistan balance India and create local nuisances” in South Asia that would keep India from becoming an active strategic player outside that particular region (Frankel 2011). As early as 2002 Indian and Korean strategic thinkers,
led by Kim Il Young of Sungkyuwhan University, made the first major intervention in debate strongly arguing the case of strategic cooperation between India and Korea to counterbalance the emerging power shift (Kim 2002). Politicians and diplomats of both countries picked up the idea and soon a new bilateral relationship started taking shape.

The idea of India–Korea strategic cooperation eventually gained traction in policy circles in Seoul and New Delhi, culminating in the signing of an India–Korea strategic cooperation agreement in 2010. Various factors have boosted the India–Korea relationship. The economic synergy generated by India’s “opening” of its economy in 1991, gave it further strength. India’s “Look East Policy,” though initially designed and focused on developing closer economic ties with Southeast Asia, also played a role. In phase II of the Look East Policy, India introduced a more strategic element and expanded its geographical reach. South Korea and Japan were natural intended targets of this new approach (Mohan 2003).

**Changing Compass of India’s and Korea’s Foreign Policies**

A shifting balance of power in the region is bringing changes in the foreign policies of both India and Korea. Both are trying to reorient their foreign policies to meet the requirements of changed ground realities. Both countries have started recognizing the importance of engaging each other and the neighboring nations in the region.

South Korean foreign policy traditionally was focused on “the big four”—i.e., the United States, China, Japan, and Russia. Convinced that changed circumstances of its national interests require closer ties with other smaller Asian countries (MOFAT 2009), South Korea has started broadening its foreign policy in two directions. Firstly, it is
shifting from a narrow focus on Northeast Asia to a wider focus on Asia as a whole. Secondly, security is no longer the only objective of its engagement with other countries. The economy, energy, technology, culture and other sectors have also started garnering equal importance from Korean policymakers (Singh 2013).

Under the “New Asia Initiative” announced by President Lee Myung-Bak in March 2009, Korea has sought to expand its engagement with Asian countries. In this vein, it is “aiming to increase its ODA [official development assistance] contribution to other countries by carrying out various programs tailored to the different development stages of the respective countries and by sharing its own experience of economic development” (MOFAT 2009). Within this policy of closer economic ties with Asian countries, Korea is trying to establish free trade agreements (FTAs) with as several Asian countries. Enhancement of trade ties among the private sectors of Korea and other Asian countries is also being encouraged.

Convinced that following the U.S. line can no longer serve its national interest on the international stage, Korea is forging stronger ties with other regional countries “by forming multi-layered cooperation networks with key global issues such as climate change, disaster management, regional integration, development assistance and the global financial crisis” (MOFAT 2009).

Historically Asian countries have certain misgivings about Japan and China. Declining U.S. influence is making them nervous about the future (Haas 2008). In this situation the Korean leadership is seeking a new role for Korea as a new leader of Asia, more specifically to play the role of “balancer” so that emerging power shifts can be kept in balance (Zhu 2009). The late President Roh Moo-Hyun’s “balancing policy” was born out of Korea’s desire to keep different pulls and pressures in the ongoing power struggle of Asia under check.
South Korea is also becoming very active in multilateral diplomacy in the region. It is actively participating in the newly formed G-20 system, playing an important role in helping to solve the economic crisis facing the world. In this regard Korea has come a long way from being a passive “rules follower” and is becoming a more active “agenda setter” and “rule maker” in the emerging new international economic order (Kim 2012a). In 2012, South Korea hosted the Seoul Nuclear Security Summit and tried to set a new agenda for nonproliferation in the region. South Korea’s “willingness for more active engagement” in a wider range of issues and areas is creating new dynamics in the region (Alexander 2012).

In terms of economy, South Korea is also actively and widely engaging the region. Trade between South Korea and China has jumped from $6.3 billion in 1992 to $220.6 billion in 2013, a figure that was bigger than South Korea’s annual trade volumes with the United States ($100.9 billion) and the European Union ($103.1 billion) combined (Kim 2012b). In 2012, South Korea’s trade with members of the Association of Southeast Asia Nations (ASEAN) stood at more than $106 billion and with India at nearly $18 billion. Despite political problems, South Korea’s trade with Japan is also flourishing, having crossed the $108 billion mark in 2011.

However, South Korea’s growing economic relations with China are also causing concern in some Korean policymaking circles (Chosun Ilbo 2014). Some argue that too much dependence on China in the absence of a robust U.S.–Korea alliance could force South Korea to compromise its core economic interests in the long run, and thus Korea must look for alternative ways to secure its national interests (Yoon 2014). Korea’s close geographical proximity with China has meant their respective security interests intersect and sometimes clash, given the various problems they have had in their long relationship (Shin 2012). Although both countries have been trying to solve their
problems through politics and diplomacy, and have upgraded their relationship to a “strategic partnership” in the process, mutual mistrust still persists. North Korea’s sinking of the South Korean Navy ship 
Cheonan and China’s refusal to accept North Korean responsibility highlighted how, despite their huge economic relationship, South Korea and China stand miles apart as far as their security is concerned. Koreans are very sensitive to unfair pressure by China, which they feel hurts their sovereignty and independence, and this sensitivity is reflected in South Korea’s recent foreign policy initiatives.

The rise of China has generated an intense debate in South Korea of whether South Korea can meet the challenge alone or if it should co-opt with other countries facing similar challenges. The need for a joint response mechanism to confront China’s growing assertiveness is therefore bringing South Korea closer to many regional countries (Han 2008).

As with South Korea’s case, Indian foreign policy is also undergoing intense changes to meet post–Cold War challenges. India has long since moved from its non-alignment doctrine of the Cold War era and is following different alignments with different power centers. Gandhian and Nehruvian principles which once informed its foreign policy have been replaced by a more pragmatic approach (Singh 2008c). No longer under Soviet influence or socialist ideology, India is revamping its foreign policy approach to protect its own national interests. India is no longer claiming to be the guardian of the interests of newly independent Third World countries (Singh and Kim 2005), and is instead placing “greater emphasis on economic development, the augmentation of India’s already substantial military capabilities, and the pursuit of greater power status within the international system” (Ganguly 2003). The collapse of the Soviet Union has further forced Indian leaders to look for their own domestic model of development based on local needs, resources, and capabilities.
India’s previous Soviet model of industrialization, with its rigid long-range planning and massive state regulation of industry, has been replaced by free enterprise, a flexible market economy, and capitalism. Under this new policy India abandoned its old anti–Western anti–American approach, and instead decided to actively engage with the West. India is also actively participating in multilateral institutions such as the International Monetary Fund (IMF), the World Trade Organization (WTO), and the World Bank. India is now an active member of the G20 and is playing a greater part in world economics.

Another major change which has come in India’s foreign policy is its decision to actively engage with East Asian countries. India’s “Look East Policy,” designed to gain access to the markets and capital of rapidly growing eastern markets, constituted a considerable shift in its foreign policy orientation. Though India has had long historical and religious connections with these countries, it has largely avoided them due to ideological differences. Convinced it can no longer afford to follow such a path, India started actively engaging these nations both at the bilateral and multilateral level (Singh and Kim 2005).

Since 1991, India’s engagement with East Asia has increased substantially. India became a full partner of ASEAN in 1995, a member of the ASEAN Regional Forum (ARF) in 1996, and a founding member of the East Asia Summit (EAS) in 2005. India has also been a summit partner with ASEAN on par with China, South Korea, and Japan since 2005. Since then India has widened the scope of its engagement. Though initially designed for economic engagement the Look East Policy slowly and steadily incorporated a security element in it as well. The policy’s range was also extended from Southeast Asia to include Australia and Northeast Asia (Jaishankar 2013). Consequently, now India considers East Asia as a part of its own “extended neighborhood,” in which it has stakes in issues ranging from Australian sales of uranium and North Korean nuclear proliferation. As with
Korea, the rise of China and its increasing assertiveness is similarly influencing India’s foreign policy approach in this region. This gives India a unique and significant position to play in the Asia–Pacific balance of power (Scott 2007).

Given India’s and South Korea’s economic and strategic interests, developing closer relations with each other has become an increasingly important focus of their respective foreign policies (Yoon 2014). The two countries have signed a number of bilateral agreements and memoranda of understanding (MoUs). Both countries share a strong vision for Asia based on democratic principles and market economy. Both also share a number of security concerns facing the region. While India sees China as a major factor in the Asian security paradigm, Korea is worried about maintaining its independence and sovereignty, especially given its growing economic dependence on China and the United States’ declining capabilities in the region (Gallagher 2010).

South Korea’s desire to play a more active and bigger role fits in with India’s strategic objectives in the region. Today no other country, not even Japan, which has traditionally been very active in Asian affairs, has expressed the desire to lead from the front in the emerging regional order. This opens up a great opportunity for India to have a partner and friend who is willing to put its resources forward in building a peaceful and democratic regional order. India can ill afford to lose this chance. In short, convergence of core strategic interests between India and Korea is giving new impetus to this relationship, in which “if approached correctly both sides can accrue ‘significant dividends’” (Lee 2011, 162).
Growing Strategic Convergence Between India and Korea

India has had strong historical, religious and cultural relations with the countries of East Asia for centuries. But very rarely did they look at each other from a strategic perspective. Geographical distance, differences in race and cultures, and different historical and political situations kept the countries of South Asia and East Asia apart. The grand land mass of China which shares borders with both regions has essentially kept India and south Korea apart for centuries (Brewster 2010).

During more recent times, though geography has had less of an impact on their relations, ideological and political differences still kept India and South Korea from strategically interacting with each other. During the Cold War years both nations found themselves on opposite ends of the political spectrum. East Asian countries like Korea and Japan were highly suspicious of India’s socialist leanings and highly resented India’s closer military ties with the Soviet Union. India and Korea had their first major connect in the modern era during the Korean War when India chaired the Neutral Nations Repatriation Commission. But it was not enough to arouse mutual interest in each other. On the contrary, resentment emerged when South Korea suspected India of sympathizing with North Korea.

Their diplomatic relations established in 1973, but remained rather aloof till the end of the Cold War. With the end of the Cold War, collapse of the Soviet Union, and India’s initiation of economic reforms, new elements entered into the Indo–Korean relationship. The ideological divide disappeared, as the suspicion and mutual mistrust of the Cold War years vanished. With warming India–U.S. relations, India and Korea found themselves on the same side of the political divide. Economic reforms in India created new opportunities
for Korean companies in India. Unlike their Japanese counterparts, Korean companies responded quickly and trade relations started surging within years. A lowly figure of $600 million in trade in 1993 grew to more than $10 billion by 2010. This fast rate of growth continues, and is projected to cross the $50 billion mark by 2020.

Declining Value of the American Alliance System in the Region

The U.S. alliance system has been the linchpin that has kept Asia secure since the end of World War II (Cha 2009–2010). The rise of China and India, an economic crisis at home, pressure for deep defense cuts, and growing economic interaction between regional countries are making the United States appear more and more like a side player in the region (Han and Kim 2010). The combined impact of economic and strategic factors at home and abroad is causing the United States to pull back from Asia faster than earlier expected.

American dominance has had significant influence on the way the region conducted its business. The region has been able to avoid major war largely because the United States tried to run it in a transparent way based as much as possible on international law and democratic norms. The decline of U.S. economic and military power has affected the U.S. role as the region’s pacifier. Military and economic competition between the United States and China in East Asia has started intensifying and the United States can no longer play the role of neutral umpire.

To complicate things an increasing U.S. economic dependence on China is effecting its ability to run the region effectively (Wolverson and Alessi 2011). An example of its declining ability, despite its best efforts, the United States failed to deter North Korea from acquiring nuclear weapons because of China’s refusal to help. With this, a wrong impression has been created for countries who for so long have
depended on American power to maintain peace. Given its declining influence and ability, the United States might pull back from its regional responsibilities, and thus countries in the region like Korea may in turn have to assume greater responsibilities in the region.

In the absence of American leadership, such countries are seeking to establish an Asian sub-system based on international law and norms. Since Korea has been the biggest beneficiary of the U.S. alliance system, it is particularly worried by the declining U.S. influence. South Korea is thus seeking to expand its strategic influence by reaching out to other regional powers. India, being the largest democracy and fastest growing economy, is an attractive choice for Korea. India also has similar worries about the power vacuum created by U.S. retrenchment, and it shares the same vision of law and norms governing a peaceful East Asia as does Korea (Singh 2008b). Like Korea, though worried about the increasing Chinese assertiveness, India supports the accommodation of China in the emerging Asian sub-system. India, like Korea, has no interest in defining its engagement with the region in opposition to China, or any other power for that matter. Nevertheless, India strongly supports the U.S. “pivot” toward East Asia and wants the United States to stay engaged with the region as long as it can.

Greater China, Korean Unification and the Changing Economic and Strategic Military Fabric of the Region

In recent years China has been growing much faster than any other country. Currently its global economic ranking is second only to the United States. Beijing is now following a systematic and pragmatic policy to increase its geopolitical influence. As a result China is emerging as a new epicenter of economic, political, cultural and strategic activities. Indeed, to some degree nowadays not much can
happen in Asia without China’s consent (Singh 2010b).

After propagating its “peaceful rise” for quite some time its foreign policy ambitions are becoming aggressive just like that of the United States a century ago. But unlike the United States which was seeking to spread an ideology or system of government, China is being moved by more pragmatic reasons. What is driving China’s foreign policy has to do more with China’s ‘core national interest’—its economic survival rather than fulfillment of some higher moral principles. China is seeking to build a sturdy presence throughout East Asia and the Asia–Pacific areas that are well-endowed with oil and minerals, and it wants to secure port access throughout the Indian Ocean and South China Sea.

This increasing Chinese external interest is leaving many regional countries nervous. Worried that their national interests may not be safe in this emerging China–centric new order, they have been trying to find new ways and means to protect their national concerns, and in the case of smaller countries like Korea, even their independence and sovereignty (Singh and Kim 2005).

It is becoming ever clearer that a China–dominated East Asia will be much different from an American–run East Asia. China seems not interested in “moral progress” in international affairs. Instead, Chinese foreign policy is being propelled by needs to “secure energy, metals and strategic minerals in order to support the growing demands of its economy” (Kaplan 2010). Unlike the United States, China will no longer be able to play the role of independent and neutral rule enforcer to keep the demands of different countries in check. As an integral part of the region where it has serious economic and security interests, it will be difficult for China (or for any country for that matter) to remain neutral in the face of its own national interests.

With the change in its economic status China is also fine-tuning its foreign policy accordingly. In the past two decades or so,
the continued sole end of its policy has been economic development. However, China’s priorities in terms of its interests are different today than they were in the 1980s (Shin 2010). More and more Chinese politicians and academics are asking for China to assume a more prominent role in the international community. Some argue that China can no longer be satisfied with a diplomacy based on the concept of Taoguangyanghui, or “keeping a low profile” (Shin 2010, 100). Recently nationalism has surged among the Chinese populace. The recent painful history of Western imperialism and wrongs committed by neighbors is fueling the fire of revenge to correct the wrongs of history. The Chinese people have started believing the time has come when China should return to the glorious era of its past as a leading power in the world (Grudgings 2013).

China’s growing demand for a high profile role in the region, coupled with this growing Chinese nationalism, is making neighboring countries, including South Korea and India, increasingly worried about the future. India has had a long border dispute with China. So far the Indian leadership has been trying to solve this problem through “charm diplomacy” by engaging China through different ways, both economically and diplomatically (Sharma 2010). This does not seem to be working, however as Chinese aggressiveness continues to increase. There appears to be a fundamental flaw in India’s current China policy and it needs to be realigned to reflect changed ground realities.

Given the fact that India cannot match China militarily, India is looking for help elsewhere. It is trying to build and support regional institutions which can help contain the situation in case of conflict breaking out in the region. Korea has similar concerns vis-à-vis China. The rise of China is also affecting Korea both economically and strategically, and it is having a serious effect on the U.S.–Korea alliance, weakening it to a large extent. America, which used to be the
largest trading partner of Korea only a decade ago, has been replaced by China, as previously stated. Korean dependence and integration with the Chinese economy is continuing to rise, which could have disturbing consequences for Korean sovereignty and independence. How to preserve the Korean way of life in the face of this growing Chinese influence is the most important question troubling the Korean leadership (Chosun Ilbo 2014). China’s rise is also affecting the Korean Peninsula in another way. With China openly supporting North Korea, chances of peaceful unification in the near future have dimmed. The prospect of finding U.S. forces across its borders in a unified Korea make China less interested in supporting any confidence-building measures between the two Koreas.

With inter-Korean conflict becoming semi-permanent and South Korea losing hope of getting help from Beijing, Seoul is turning to other countries for help. With India having serious stakes in Korean unification, South Korea is looking toward India for help. Unlike China, India has no issues with Korean unification. On the contrary a strong, unified, militarily powerful, democratic and independent Korea on the eastern flanks of China serves Indian interests. Indian–Korean strategic convergence on Korean unification and the Indian desirability of a militarily strong powerful Korea able to protect its own interests in time of crisis is a powerful magnet to bring the two countries together.

The strategic independence of South Korea is critical not only to India but for the whole region. Given the geographical proximity of South Korea to China South Korea might be the first target of Chinese external hegemonic expansion for many reasons, both strategic and geopolitical. In such a scenario Japan would come under extreme pressure and given its current economic situation and growing U.S. inability to help, Japan if left alone, may not be able to hold out for long. And with Japan becoming unable to resist Chinese expansionism
and coming under Chinese sphere of hegemonic expansion, the whole region, from Taiwan and the Philippines to Indonesia (the so-called “first island chain”) would become vulnerable to Chinese influence. And with all “first island chain” nations under Chinese hegemonic domination, the strategic and economic implications for India would be huge. With China dominating the Asia–Pacific, India would be left with two choices: accept Chinese dominance (with unimaginable consequences) or fight back (with very limited chances of success).

Thus, the Indian leadership must fully understand the linkage of strategic independence of Korea and Japan to its own national independence. India alone cannot stands in the direct path of China’s “manifest destiny” of subjugation of the Asia–Pacific, which it feels has been wrongly denied to it by major Western powers in the recent past. As long as Korea and Japan are independent and are able to practice their way of life freely and are able to withstand Chinese pressure, India remains safe from China’s threat to its northern and southern flanks to a large extent.

**Open High Seas and Maritime Security**

In recent times, the Indian Ocean and its nearby straits have been growing more and more unstable. Many new conventional and unconventional threats have started plaguing the sea. Piracy and hijacking, which were once all but eliminated by the British and then the Americans, has once again started raising its head. Terrorism, especially of a religious, fundamental type, which is widespread in the south Asian region, has also started reaching the deep sea. Fears of sealed containers being used to transport nuclear and radioactive material have been worrying many countries for some time now. Sea routes are also being increasingly used by drug traffickers to smuggle their products to the area. Suspicions have also been expressed of
terrorists groups working in tandem with drug cartels in the region, with such a nexus between drug traffickers and maritime terrorist organizations threatening the peace and stability of the whole region (Singh 2009).

Growing competition between regional countries to control the sea lanes of communication (SLOCs) is also increasing tension. Lately, China has been more actively making its presence felt. China is building new naval bases around the region and expanding substantially its mid-sea replenishment capacity to sustain long-term operations at sea. Despite its relative decline the United States still has long-term interests in the region. The United States is unlikely to decrease its maritime activities in the near future, increasing the likelihood that sea-going competition between the United States and China will intensify. There are greater chances of more serious naval skirmishes between the two respective navies. If things go wrong by accident or design, the possibility of limited naval war cannot be ruled out.

This growing competition between the United States and China is worsening the maritime security environment and seriously affects the security interests of other countries in the region. As more than 90 percent of South Korea’s international trade is conducted through sea transport, Seoul has serious stakes in maritime peace. The need to prepare a naval strategy that protects both its short-term and long-term interests is strongly being felt in Seoul. In case of an armed clash on the high seas South Korea needs to protect its merchant ships right from the Sea of Korea to the Bay of Bengal and beyond. Of course, any South Korean support of the United States in case of limited naval clash between the United States and China outside Korean waters may aggravate the situation. South Korea needs a strategy which can keep its ships sailing in times of limited naval crisis. This cannot be done without the help and cooperation from regional naval powers.

Both India and South Korea have much to gain from naval
interaction with each other. Closer cooperation between the two sides could help ensure the free flow of traffic through sea lanes of communications and choke points (Singh 2008d). Further closer cooperation will help convey caution and restraints on other relevant states and sub-state actors for powerful response to any misadventure or political coercion. Taking the Indian naval presence as benign (as it does not carry any historical baggage), India is a natural candidate for partnership. Both countries share a common concern that the growing power struggle in East Asia does not threaten the rules and norms established for centuries governing the sailing of ships (Alexander 2012). On the one hand, India is a significant naval power. On the other hand, being a powerful modern naval power in its own right in Northeast Asia, South Korea can effectively work with the Indian Navy in ensuring the safety of SLOCs and handling growing conventional naval threats. Some of the assets developed by South Korea to protect SLOCs are ultra-modern and capable of meeting any eventuality. Mobile Task Flotilla 7, South Korea’s main taskforce designed to protect SLOCs in the Indian Ocean “comprises six 4,500 ton KDX-2 and two 7,500 ton AEGIS-equipped KDX-3 destroyers. Both ships are multi-role destroyers, which provide substantial offensive and defensive capabilities” (Alexander 2012). An invitation from South Korea for naval cooperation should be welcomed by India.

Preservation of Peace in a “Complex Asia”

With the end of the Cold War, a new sub-Asian system which is much closer to multipolarity than bipolarity is emerging. Unlike Europe, where stronger institutional mechanisms to solve conflicts, deeper economic and political integration, better people-to-people ties, people’s identification with Europe as one political entity, and a general disgust of war among the general population of Europe were
mitigating factors which have kept peace in Europe during its transition phase from bipolarity to multipolarity, are missing here in Asia (Friedberg 1993–1994). That Asia has remained more or less peaceful and calm for so long is nothing less than a miracle.

Today, the region has very few common agenda points on which all nations can agree. It is marked by a diversity of political and social norms. While some nations have adopted a democratic form of government, dictatorship and autocracy still rule in others. Unequal distribution of power and wealth in the region has started making smaller countries fearful about the rich and fast growing countries. While some countries are stuck in poverty others are fully developed or are growing at a fast speed. In particular, China’s economic growth has left many countries worried about their economic independence. Several nations are facing very serious ethnic and religious strife within their population. Today there is no country in the region without some kind of border dispute with one or other of their neighbors. In some cases the problem is further complicated when control over newly discovered natural resources is at stake. National pride and disputes over history are further complicating such problems. Terrorism and nuclear proliferation are further threatening peace in the region. Traditional issues which were kept in check during the Cold War years have started to reassert themselves.

With both structural and non-structural factors at play, there are very few mitigating forces which can maintain peace in this transition period. Unlike Europe which has developed a series of institutions to nurture peaceful relations among Europeans countries, Asia lacks any meaningful institutions to help ease the arising tensions. Some of the existing Asian institutions like the Association of South East Asian Countries (ASEAN), Asia-Pacific Economic Cooperation (APEC), and the East Asia Summit (EAS) have a limited agenda and mandate, and have been taken over by outside super powers, namely the United
States and China (Kumar 2012). What is more, with the domination of outside external powers the Asian agenda has in fact been completely sidelined. In clear contrast Americans and Europeans have rarely allowed any Asian country to be part of any American or Europe-centric organization. By the same logic “it was not necessary that the USA and to some extent Russia must be a part of every East Asian regional security grouping. East Asians can and should have some institutions where only regional countries participate and debate about their future” (Kumar 2012).

Any disruption of peace in the Asia-Pacific, either on the Korean peninsula, the South China Sea, or in Southeast Asia would have very serious economic and strategic consequences for the whole region. War on the Korean peninsula would not only almost certainly destroy the South Korean economy but would also alter the balance of power in the region and have further worldwide political and strategic implications. Similarly, any serious clash in the South China Sea, either between the United States and China, or between China and neighboring countries, would seriously disrupt peace in the region. Clearly India and South Korea have a serious strategic convergence of interest of maintaining peace. India’s combined trade relations with the region are expected to soon cross the $300 billion mark, and additionally it has serious energy and security interests in the area. Any war or disruption of peace will threaten India’s core economic and security interests. Similarly South Korea trades more with the region than it does with the Americas or Europe.

In the absence of a European-style collective Asian identity, how does one build pan-Asian institutions? And who will take the lead in building such security mechanism? In the face of an emerging Asian sub-system where regional countries are very loosely connected with each other, building these institutions is indeed going to be difficult. However, India and South Korea are both democratic countries
and share a common vision of Asia. South Korea has expressed a desire to come forward and play a leading role in Asian affairs, and by successfully holding the G-20 and a Nuclear Safety Summit it has proved it has the resources to back up its intent. Similarly, recent policy initiatives taken by India in East Asia are underlining “a new seriousness in New Delhi’s ‘Look East Policy’ and the growing importance of India in the foreign policy matrix of nations in East and Southeast Asia” (Pant 2013b). India, being the largest democracy and a strong believer in a law-governed Asia, can find a strong partner in Korea.

Building powerful new pan-Asian institutions from the ground up in the midst of rapid and radical changes will be a common cause where both countries can cooperate together. Few countries, if any, are suspecting Korea and India’s intentions of working together in institution building and setting the agenda for Asia. According to a global survey conducted by the Center for Strategic and International Studies, just three percent of respondents viewed India as the biggest threat to peace in Asia, placing India as the third most non-threatening country in the region after Japan (at two percent) and South Korea (at half a percent) (East Asia Institute 2013). Very few other countries can boast of such peaceful credentials. Thus, both India and South Korea enjoy a very unique position and “instill a strong sense of regional cooperation among neighboring countries” (East Asia Institute 2013). Their interest-based limited security cooperation has the potential to “lay the foundation” for something big in the coming years (Kim 2012b, 337).

In any post-American Northeast Asia regional order South Korea’s choices are limited. South Korea can neither side with Japan nor China while they struggle for dominance in the region. However, joining India, in building pan-Asian peace mechanisms and institutions makes greater strategic sense for Korea. The India–Korea “strategic partnership” agreement signed during President Lee’s visit to Delhi in
2010 took the relationship to a higher level in one stroke. The agreement is an attempt by both countries to begin to meet their common challenges, whether they be security against non-conventional threats or uncertainties arising out of the conventional systematic changes in the international system (Singh 2012). Slowly, both countries have begun to understand the importance of cooperating and consulting with each other in developing a regional architecture in the broader Asia-Pacific region. The emerging new role of regional powers and shifting balance of power is constantly being reviewed under this agreement.

**Economic Convergence**

Strategic convergence between India and Korea is reinforced by the growing complementary nature of their economies. Korea not only provides India with capital and the latest technologies, it also provides India with a strong foothold in East Asia, the fastest growing region in the world. From Korea’s point of view, India not only provides Korea with the world’s fastest growing market for Korean goods and investment opportunities for capital-rich Korean companies, but it also provides Korea with an alternative to growing dependence on China as well.

Here, Korea’s economic relations with China have been growing quickly, with trade expected to cross $300 billion by the year 2015. Currently Korea’s trade with China makes up more than 20 percent of its total foreign trade. Though such trade with China is providing much needed opportunity for growth in the wake of the slump in trade with America and Europe, it has been making many Koreans worried about their country’s growing dependence on China (Kim 2012c). According to the International Monetary Fund, for every percent drop in China’s investment growth, Korea’s economic growth
would decline by 0.6 percent as well annually. Korea would be the third-hardest hit country after Malaysia and Taiwan if China’s investment growth slowed. Similarly, the Hyundai Research Institute in a recent report has argued that for every percent decrease in China’s economic growth, Korea’s growth would slow by 0.4 percent (Hyun 2012). So far, China has not used its economic leverage to meet its political and strategic objectives, but there is no guarantee it will not do so in the future.

To avoid the destabilizing consequences of Korean dependence on China, Korea has been looking for alternative markets for its goods and capital. For some time it has been developing relations with Southeast and South Asian countries to diversify economic relations. India, with its fast growing economy and fast growing middle class, provides a very attractive alternative for Korea. With its democratic set-up and rule of law, India provides excellent opportunities to Korean companies for investment.

Today, there is a comparative advantage both sides can use to increase their share in each other’s markets, given the wide difference in industrial structure, exports items and factor endowments. While Korea has the advantage of a strong manufacturing base, India has a large pool of highly skilled but still low-wage work force, and abundant natural resources which could be very helpful to the resource-poor Korean economy. In the IT sector, while Korean companies hold an advantage in hardware, Indian companies are good in software. As energy-scarce countries, India and Korea have convergence in energy exploration in the high seas, trade and investment opportunity in green energy, and development of civilian nuclear energy (Ahn 2013).

India and Korea have woven a large web of economic agreements, and more than forty Memorandums of Understandings (MoUs) recently signed, according to one conservative estimate. At the top of these agreements, which is giving a real fillip to the relationship, is
the Comprehensive Economic Partnership Agreement (CEPA) signed in 2010. This agreement has proven to be a boon, as mutual trade has been growing in the double digits since it became operational. Encouraged by its success, both countries are already talking about upgrades to the agreement, in an effort to take things to the next level.

To give the systematic direction to this relationship, a Joint Commission co-chaired by the Foreign Minister and External Affairs minister of the two countries meets regularly in Seoul and New Delhi, and is constantly giving new direction to the fast-developing relationship. Foreign policy and security dialogue is being held at the level of Vice Foreign Minister (Korea) and Secretary East (India), and is also emerging as a useful instrument for exchanging ideas of the two countries. Recently, defense cooperation has also started to pick up. Two MoUs signed in 2010 during the Indian Defense Minister’s visit to Seoul has brought the defense establishments of the two countries closer than ever. The first of these two MoUs regulates and promotes defense-related experience and information, mutual exchange and visits by military personnel and experts, training and conduct of military exercises, and exchange visits of ships and aircrafts. The second MoU aims at identifying future defense technology areas of mutual interest and research and development projects in both countries. There are many other minor and major agreements strengthening relationships in the area of science and technology, education, energy, and culture. Due to these agreements, the relationship has gained a strong institutional base and a life of its own. It should continue to grow irrespective of the policy orientations of the government of the day.

One of biggest beneficiaries of these expanding economic ties is the defense sector. Before the current phase of fast mutual growth, the Indian establishment had hardly looked at Korea as one of the potential suppliers to meet its fast growing defense modernization needs. Given the current status of Korea’s advance defense industrial
base, Indian defense policy makers have shown interest in some of Korea’s high technology products (Hamisevicz 2012a). The strategic partnership between the two countries has the potential to grow through military acquisitions, as South Korea is looking to expand its defense exports industry and capabilities, and India is embarking on an ambitious military modernization program (Hamisevicz 2012b). In 2013, India placed an order worth $680 million from Korea for eight minesweepers to augment the security of its naval borders and protect Indian harbors from being mined by enemy submarines. Military-to-military ties have also been growing. Interaction between the navies of each country has picked up, with joint naval exercises initiated in 2000. High ranking defense personnel, including defense ministers have exchanged visits to either capital with increasing regularity. Energy is another area where India and Korea have seen rapid growth in recent years. Both countries have a high level of dependence on foreign sources of energy. This adds another strategic element into their planning. Both have entered into a number of agreements to strengthen their relationship in the energy sector. In 2005, South Korea agreed to help India build a strategic underground petroleum storage facility. Both are also exploring the possibilities of joint exploration in the Indian Ocean. One such proposal under consideration is “where South Korea would take gas from an Indian joint venture on nearby Sakhalin island in exchange for India taking gas from South Korean-contracted supplies in Indonesia and Australia” (Brewster 2010, 422).

India and Korea are also coming together on nuclear energy solutions. South Korea supported India’s bid to get approval from the Nuclear Suppliers Group, where South Korea’s support was necessary for India to import nuclear technology and materials to boost its nuclear energy program. Taking their cooperation further, both sides signed a bilateral civil nuclear cooperation agreement during the Indian
President’s visit in 2011. This agreement has opened up new opportunities for Korean companies to invest in the Indian nuclear energy sector. The Korean side is said to be actively asking for a site to set up the first Korean nuclear reactors in India (Singh 2012).

**Conclusion**

Given the changed realities in the region, both Korea and India have been trying to reorient their foreign polices to meet the new challenges. Korea, which has been focused on the big four powers (the United States, China, Russia, and Japan) for too long, has realized in these changed circumstances that it is necessary to reach out to other smaller countries to bolster its own security. Under the New Asia initiative, Korea is seeking to build new such relationships. Southeast Asia and South Asia are the main areas of interest in this new approach. Similarly, India has also been focusing on East Asia since 1991, when it launched its Look East Policy.

In this changed strategic environment, a convergence of strategic interests is emerging between India and Korea. On various issues facing the region both are finding themselves on the same side of the divide. Whether it is the issue of the security of SLOC in the Indian Ocean, nuclear proliferation on the Korean Peninsula, the rise of China, or the issue of building multilateral institutions to maintain peace in the region, both Korea and India have taken similar positions. This fast growing strategic convergence has brought both countries together like never before. To give a more concrete shape to this convergence of interests, many high profile visits have taken place between India and Korea in the very recent past, and a number of agreements and MoUs have been signed. Never before in the history of India–Korea relations there has been such a high level of diplomatic activity.
However, despite the growing web of interactions between India and Korea, the relationship has not reached its full potential of growth. Most of the MoUs and agreements signed are at a very formal level, and lack serious content and substance. If they want to take the relationship to the next level, it is very important that Korea and India understand each other’s strategic imperatives and needs. A strong and sustainable partnership cannot be built on the basis of mere high-sounding agreements and/or high profile visits. Policy alignment is essential.

Korea’s core objective is how to keep its strategic independence in the face of the shifting power balance and declining military value of U.S.–Korea alliance. It can no longer solely depend on the United States for its security and independence. South Korea’s growing economic dependence on China is bringing a new element into this strategic paradigm. Another core question for Korea is how to protect Korea’s security and political interests in the face of growing Chinese economic might. Keeping peace in the face of an increasingly unstable North Korea is another priority for South Korea. With the United State having failed to stop North Korea from acquiring nuclear weapons, the urgency of conflict resolution on the Korean peninsula has become urgent. Similarly, India has core strategic interests in the region. Economically the region is becoming more and more important. India’s trade ties with the region are expected to cross $300 billion in the near future. Strategically, the region is becoming more important for India. Any power shift could have a serious impact on India’s strategic profile, and India’s strategic engagement with the region.

To take their partnership to a higher level, it is imperative that India and Korea align their strategic priorities. India, being a bigger power, has to take the lead in this relationship. New Delhi has to set its objectives and priorities very clearly. The policy of strategic ambiguity in East Asia which India has followed so far must be abandoned—as
such policy is doing more harm than good. To win the confidence of Korean strategic leaders and policy makers, India must articulate clearly its stand on issues which matter most to Korea. India has to be very clear on where it stands in regard to China’s economic rise, growing assertiveness and hegemonic ambitions; with regard to the declining role of the United States; with regard to issues of collective security and economic integration in the Asia–Pacific; and with regard to North Korean nuclear proliferation and peace building on the Korean peninsula. Without India aligning its policy with Korea on these core issues, taking the alliance to the next level will be difficult if not altogether impossible.

References


Han, Sukhee and Tangho Kim. 2010. “South Korea amid the United States and China after the Global Financial Crisis.” *Korea Observer*, vol. 41,


Forty-one years have passed since Korea and India established formal diplomatic ties. The economic relationship between the two countries has strengthened since India started opening its economy to the world in 1991. South Korea (hereafter Korea) adopted outward-oriented economic policies with the inception of its first five-year economic development plan in 1962, which resulted in spectacular high growth and the integration of the Korean economy with the world in the past half century. India, on the other hand, adopted an import-substitution policy from its independence until the early 1990s. About 30 years later than Korea, India has introduced wide-ranging economic policy reforms to enhance the efficiency of both the manufacturing and fragmented service sectors toward an outward-looking and market-driven economy. This has resulted in consistent high economic growth over the past decade and a half, making India the tenth largest economy in the world.

At present, India and Korea are the third and fourth largest economies respectively in Asia. They have developed a strategic partnership from an ordinary and distant relationship since the establishment of formal diplomatic ties in 1973. In the immediate post World War II period, Korea used to view India as a remote nation with a non-
alignment doctrine. However, the past four decades for Korea and two decades for India have seen tremendous economic transformation in both countries. Given the great difference in factor endowment and once markedly different development paradigms, the two countries can benefit a lot by looking at each other’s development policies. As the Indian economy has launched its economic reform program with a focus on liberalization and globalization, India might take a look at Korea’s dynamic quest for international competition through export promotion policies with a clear and transparent incentive and disincentive system mobilized far earlier than India.

The greater openness of the two economies in the recent decades has not only enhanced market access for each other’s goods but has also provided investment opportunities for internationally competitive Korean and Indian companies. However, the current size of trade and investment is very low compared to the size and structural complementarities of the two economies. There is immense potential to enhance economic cooperation between the two nations. As part of its ‘Look-East Policy,’ India has been making efforts to intensify its economic relations with East Asian economies, especially Korea while benchmarking its effective and dynamic economic policies. Korea also has been searching for new economic partners beyond its traditional trading partners, like the United States, Japan, and China, to sustain its economic progress.

Since the advent of the World Trade Organization (WTO) global system, both India and Korea have been integrating rapidly into the world economy, enhancing their roles in the emerging international economic order. The increasing scale of globalization not only holds potential for greater cooperation at various multilateral forums, but also offers immense scope at the regional and multilateral settings to strengthen bilateral ties, given the deadlock and slow growth of negotiations in the Doha Round in the WTO. Realizing the need for
greater economic cooperation, both countries made an India–Korea Comprehensive Economic Partnership Agreement (CEPA) effective. This is also India’s first free trade agreement (FTA) with an Organization for Economic Cooperation and Development (OECD) economy.

Given the outward-looking and liberalizing economic orientation, economic diversity, and factor endowments inherent in India and Korea, the two countries are likely to benefit from each other by maximizing the potential benefits of the CEPA and working together toward strengthened regional and global economic integration. As global economic gravity shifts to Asia, the mutual cooperation between two like-minded countries in nurturing political democracy and market economy, India and Korea, can serve as an important building block toward the early completion of the Regional Comprehensive Economic Partnership (RCEP), a further expanded Asia–Pacific economic community, and resumption of the stalled DOHA round.

This chapter reviews the dynamics of economic development undertaken by Korea and India in historical perspective and suggests new directions for bilateral and regional economic collaborations in a regional context. The next section describes some major features of Korean economic development process. The third section touches on Indian characteristics of development process, while the fourth highlights economic linkages between India and Korea that developed in the past two decades after diplomatic normalization. This is followed by suggestions on how India and Korea can collaborate in trade and investment in newly emerging East Asian and Asia–Pacific economic integration movements and on how to revive the WTO’s multilateralism. The chapter concludes with some policy implications.

---

1 The participating countries in the RCEP negotiations include ASEAN 10 economies, China, Japan, Korea, Australia, India, and New Zealand. They intend to complete a free trade and investment agreement by the end of 2015.
Major Features of Korean Development

In the past half century, Korea emerged from being one of the poorest agrarian societies in the world to being a near-developed country by joining the Organization for Economic Cooperation and Development in 1996. Korea dramatically shortened the usual phase of industrial transformation, which most of today’s developed nations experienced over a span of at least a century and a half. The World Bank (1993) recognized Korea as the representative economy of the East Asian miracles. Korea achieved such remarkable industrial expansion despite considerable odds. To begin with, the country had no significant mineral resource deposits. Furthermore, the partition of Korea after liberation (1945) from Japanese colonial rule caused political chaos and then the devastating Korean War (1950–1953) led to a vicious circle of poverty, hyperinflation, and chronic unemployment in the post-war period.

Korea’s income per capita in 1962 was a meager $87 but increased to $10,000 in 1995, and finally to $23,000 in 2012. In 1960, the share of industry, including utilities and construction, in gross domestic product (GDP) was only 20.1 percent, but swelled to 45 percent in 1991 and tapered off substantially at 36.2 percent in 2004 as the services sector rose dramatically. During this industrial transformation period, Korea’s total trade volume increased from $0.48 billion in 1962 to $1.07 trillion in 2011. From 1962 to the late 1990s, Korea’s gross national product grew at an average rate of 8 percent per year in real terms, making it one of the highest performing

---

2 For details of common development policies adopted by East Asia’s miracle economies in the four decades from the 1960’s to early 1990s, see the World Bank (1993).

3 Korea’s trade volume surpassed for the first time the $1 trillion benchmark in 2011, becoming the eighth nation to join the $1 trillion trade club in world trade history.
economies in the world. By any international standard, Korea demonstrated unprecedented trade-oriented industrialization in a little over four decades.

Korea's modern industrial development after the adoption of the first Five-Year Economic Development Plan in 1962 was made under the unique paradigm of an export-based industrialization strategy, with varying degrees of government interventions. In the 1960s, various incentives and disincentives were put in place to ensure the export of labor-intensive products. In the 1970s, the government's credit allocation policy toward target industries promoted the development of heavy and chemical industries under some protectionist policies. However, the 1980s witnessed the initial phase of domestic market opening for consumer goods. In its quest for long-term high growth, Korea was seriously hit by the Asian financial crisis in 1998, slowing down economic growth to 5.1 percent annually between 1995 and 2004. When the Asian financial crisis broke out in 1997, Korea had faced unprecedented challenges. With the rapid depletion of foreign exchange reserves and the refusal of foreign creditors to reschedule debt, Korea, in December 1997, agreed to receive then the largest International Monetary Fund (IMF) emergency financial assistance on the condition that Korea would undertake far-reaching structural reforms to remove serious caveats contained in its high-growth economic model over four decades, namely a comprehensive restructuring of the financial, corporate, labor and public sectors. Again in 2008, Korea was engulfed in the serious economic downturn arising from the global financial crisis like most developed economies. But Korea successfully managed to record a positive growth, a rare record among OECD economies. Since then, Korea, like many other advanced economies, has experienced a structured, slow, and jobless growth with a persistently declining potential growth rate.

On the political side, Korea's rapid industrial growth was accom-
panied by rapid political democratization, which was characterized by a continued demand for new labor-management relations. With the advent of the WTO in 1995, liberalization and deregulation have been pursued to both promote a more open trade regime and produce more technology-intensive products for export.

The Initiation of Export-led Industrialization

In the midst of economic chaos after the Korean War (1950–1953), the Syngman Rhee administration carried out two institutional reforms: land reforms based on the cultivator-owner principle and the enforcement of a compulsory primary education system. These two reforms helped greatly increase the necessary human capital for future rapid industrialization. On the economic policy side in the 1950s, the Rhee government adopted an import-substitution policy for non-durable consumer goods to ensure post-war economic stability above all.

In 1961, the Park Chung-Hee government shifted its economic policy from an import-substitution regime to an export-led industrialization strategy. The Park administration recognized that an increase in foreign exchange earnings was necessary to meet the rapidly rising import bill for energy and food. The Park administration also recognized that Korea’s domestic market was not sufficient for sustainable growth and totally lacked capital to build productive facilities to utilize a massive and unemployed but educated labor force. These changes in the economic development strategy were formally presented in the first Five-Year Economic Development Plan (1962–1966).

The financing of ever-increasing investments to build up export capabilities and industrial development was made by borrowing foreign

---

4 This section heavily draws from Ahn (1999).
capital rather than by inducing foreign direct investment (Ahn 1999). By doing so, Korea was able to cultivate the indigenous capabilities of exporting firms for industrial development through learning-by-doing and the reverse engineering processes of advanced overseas economies. To facilitate this, the government provided the business sector with official payment guarantees for foreign loans. The share of FDI in Korea’s gross domestic investment for the periods of 1984–1989 and 1990–1994 were only 1.4 and 0.7 percent, respectively. In comparison, the share of foreign direct investment (FDI) in Malaysia’s GDP was 8.8 and 22.4 percent, respectively for the same two periods.

Unlike most developing countries, access to basic incentives for Korean exporters with genuine letter of credit provided by their oversea importers in the 1960s was automatic and unrestricted to grant automatic to bank loans for working capital needed for all export activity, including pre-shipment activity often with preferential interest rates and to unrestricted and tariff-free access to imported intermediate inputs and raw material needed in manufacturing exportable goods (Rhee et al. 1984). Korea consistently attempted to provide realistic exchange rates for exporters through a mixture of major devaluations and flexible adjustments with occasional time lags.

**Government-Led Heavy and Chemicals Industrialization**

In the early 1970s, Korea shifted the economic policy focus from light labor-intensive manufacturing exports to the “Heavy and Chemical Industry (HCI) Development Plan.” The sudden shift to industrial deepening was motivated by the need to upgrade the industrial structure ahead of emerging labor-abundant competitors and to improve national defense capabilities after a one-third reduction of U.S. troops.

---

5 For in-depth details, see Ahn and Kim (1997).
stationed in Korea.

The HCI Development Plan identified shipbuilding, automobiles, steel products, machinery, non-ferrous metals, textiles, electronics, and petrochemicals as future strategic industries. The Korean government intervention became highly acute, being industry specific and sometimes firm specific. In this regard, the earlier industry-neutral incentives of the 1960s provided for exports as a whole were replaced by target industries or target firms for the promotion of these industries (Sakong 1993). The government provided those “strategic HCIs” with central bank credit at preferential interest rates, foreign loans, tax incentives including investment tax credit, accelerated depreciation allowances, and tax holidays. The government also constructed industrial parks such as the Changwon Machinery Complex, the Yeochon Petrochemical Complex, Ulsan and Pohang Industrial Complexes.

The HCI promotion policy fostered the creation of Korean conglomerates known as chaebols in order to reap both economies of scale and scope. The government’s industrial policy permitted the chaebols to grow very rapidly through diversification, cross-shareholdings among their subsidiaries, and mutual repayment guarantees among subsidiary firms. Consequently, most large firms continued to register much higher debt-to-equity ratios than those in other competing economies. The expansion and increase in the number of chaebols created a monopolistic and oligopolistic market structure at the expense of SMEs development in Korea. Furthermore, the government’s strategic allocation of financial resources resulted in a shallow financial development.

Although some military and political objectives were envisioned by President Park, the sudden HCI expansion resulted in a crisis of major proportions in the late 1970s. The targeted HCIs were highly energy-intensive and as a result seriously harmed by the first oil shock in 1973, and the second oil shock in 1979. The government’s
support of HCI business with virtually “unlimited” financial support with preferential credit resulted in accelerated inflation, a growing deficit in the balance of payments, and a high degree of idle capacity. However, although the HCI drive contained import substitution contents, export was continuously sought. Thus, export promotion and import substitution were pursued simultaneously in a mutually reinforcing manner.

Though hit severely by the oil shocks, Korean chaebols actively took advantage of the construction boom fuelled by the massive oil dollar receipts of the oil producing countries in the Middle East. Most of the Korean conglomerates engaged in labor intensive highway and housing projects first but gradually moved into technology intensive plant constructions including nuclear power plants and deep-sea drilling projects overseas.

By the late 1970s, some HCI products such as electronics, machinery, ships, and iron and steel products began to appear in the export commodity list. The sense of contained managerial crisis on the part of chaebol owners forced them to focus on high value-added technological development as the only way of overcoming the crisis instead of the traditional approach of using the comparative advantage due to low wages (Kim 1995). Ironically, an inevitable switch to technological deepening by the HCI-based chaebols enabled them later to produce global brand names in electronics, automobiles, and shipbuilding through learning-by-doing and fierce competition in the international market.

In line with an industrial rationalization plan, Korean policymakers also recognized that import liberalization was an effective way to bring in the competitive element to the protected but stagnant HCI and light manufacturing sectors in the economy. While pursuing an export-oriented development strategy, the import of consumer goods was gradually liberalized.
Trade Liberalization and FTAs

While initiating export-led growth, Korea joined the General Agreement on Tariffs and Trade (GATT) as a full member in 1967. When the WTO was formally launched in 1995, an open and fair competition became a new directional guideline in formulating Korea’s industrial policy. This new policy accelerated the industrial restructuring process. An important government policy was geared to induce foreign direct investment, especially in the high-tech areas, by simplifying government permission procedures and other regulations.

With the advent of the twenty-first century with rapid globalization and given the stalled Doha round, Korea adopted a multi-track free trade agreement policy to maintain its outward-looking develop-

Table 1. FTA Trends in Korea

<table>
<thead>
<tr>
<th>Classification</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Effect (9)</td>
<td>Chile (April 2004), Singapore (March 2006), EFTA (September 2006), ASEAN (September 2009), India (January 2010), EU (July 2011), Peru (August 2011), United States (March 2012), Turkey (May 2013)</td>
</tr>
<tr>
<td>Concluded (1)</td>
<td>Colombia (June 2012), Australia (2013), Canada (2014)</td>
</tr>
<tr>
<td>Under Negotiation (5)</td>
<td>Indonesia, Vietnam, China, China–Japan, RCEP</td>
</tr>
<tr>
<td>Under Consideration (10)</td>
<td>Canada, Japan, Mexico, GCC, New Zealand, MERCOSUR, Israel, Central America, Malaysia, TPP</td>
</tr>
</tbody>
</table>

Source: Ministry of Trade, Industry and Energy, Korea
Note: EFTA (4): Switzerland, Norway, Ireland, Liechtenstein
ASEAN (10): Indonesia, Malaysia, Singapore, Thailand, Vietnam, Cambodia, Brunei, Myanmar, the Philippines, Laos
EU (27): Austria, Belgium, England, Czech, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, Netherland, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Bulgaria, Rumania
MERCOSUR (4): Argentina, Brazil, Paraguay, Uruguay
Central America (5): Costa Rica, El Salvador, Guatemala, Honduras, Panama
TPP (Trans–Pacific Partnership) (12): USA, Japan, Mexico, Canada, Australia, Vietnam, Malaysia, Brunei, Singapore, New Zealand, Chile, Peru
ment orientation. As shown in Table 1, Korea became the first significant economy to have an effective FTA with the United States and the European Union (EU). Korea now aims to serve as an FTA hub nation in East Asia.

The Shift to New Economic Policies in the Twenty-first Century

Both the Asian financial crisis and the launch of the WTO system demanded that Korea modify its conventional high growth-oriented model and adjust to new trade and industrial policies to match the increasingly globalized world economy and increasingly integrated capital markets.

In a nutshell, Korea now has to establish a knowledge-based economy to nurture a competitive industrial structure based on market-driven innovation rather than a visible government hand. During the post-crisis period, indeed, most of the needed “hardware” improvements to the regulatory and institutional framework were largely completed, but important steps remain in developing the necessary “software” in order to change the financial practices and ways of doing business that prevailed in the high growth era.

Thanks to private and public R&D efforts during the HCI drive, Korea succeeded in catching up with global leaders in selected industries. For example, in the semiconductor, shipbuilding and digital electronics industries, Korea has firmly secured global leader status. Its automobile and petrochemical industries are on the verge of entering the world’s top four in terms of production and exports. Steel and some machinery parts and materials have also become highly competitive in the global market. Korea also identified e-business, distribution, and logistics as leading sub-sectors of service industries.

The Korean government is planning to establish a world-class industrial foundation and develop advanced strategic technologies.
such as information technology (IT), bio technology (BT), and nano technology (NT) that will be critical for a knowledge-based economy. Korea’s vision for industrial development can be seen in Table 2.

In line with searching for a new growth model in the twenty-first century, the incumbent Park Geun-hye government, which took office in February 2013, declared construction of a “creative economy” as the new national economic policy goal. The government aims to upgrade the Korean economy by actively translating new ideas and new technologies into new value added economic activities that will be in high demand in the global market. Indeed, Korea is searching of a new engine of growth in an increasingly globalizing world economy.

### Implications of Korea’s Economic Development

Since the early 1960s, the economic development policies have shifted from the calculus of intervention to a focus on market function and liberalization. At each stage of industrial development, a different element has been more dominant than others, even under the outward-oriented development regime. Two points that appear throughout Korea’s modern economic development are especially worth recognition.

The first point is consistently outward-looking development policies. In sum, Korea’s development policies have been consistently

<table>
<thead>
<tr>
<th>Basic Industries Toward World-Class Competitiveness</th>
<th>Future Strategic Industries</th>
<th>Service Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipbuilding, Semiconductors, Automobiles, Textiles, Steel, Petrochemicals</td>
<td>Digital electronic industry, Electronic medical equipment, Bio industry</td>
<td>Business service, E-business</td>
</tr>
</tbody>
</table>

Source: Ministry of Commerce, Industry and Energy Homepage (http://www.most.go.kr/)
outward-looking to nurture international competitiveness of Korean exports. Rules have been largely non-discretionary and transparent for every agent in the market. Korea used export as the criterion with which success was judged. The government’s industrial policy for the HCI promotion also had been exercised largely on the performance criteria of picking the winner. However, whenever market functions were available, the policy was to let the market determine production.

The second point is the role of entrepreneurs and emphasis on technology. Most importantly, Korea always emphasized indigenous efforts in mastering advanced technology and business practices in the world market. The export orientation of national economic policy provided Korean businessmen with ready access to world-class products and technological learning. Korea’s entrepreneurial talents responded positively to various government incentives to build up Korea’s indigenous technological capability and industrial competence through various forms of “learning-by-doing” (Ahn 1999).

The Indian Economy: From Import Substitution to Outward-Looking

The independence-era Indian economy from 1947 to 1991 was based on a mixed economic management strategy that combined features of capitalism and socialism, resulting in inward-looking interventionist policies and import substitution. During the pre-liberalization era, India failed to take advantage of the post-war expansion of trade. This model contributed to widespread inefficiencies and corruption, and the failings of this system were due largely to its poor implementation. Before 1991, Indian economy experienced the “Nehruvian Socialist rate of growth”—that is, low annual growth rate at around 3.5 percent from 1950s to 1980s. This phenomenon was called the “Hindu
rate of growth, which was a sharp contrast to Korea’s.

Following market-based economic reforms in 1991, India became one of the fastest-growing major economies; it is considered a newly industrialized country, playing a role as a leader of the BRIC’s economies. The Indian economy is now the world’s eleventh-largest by nominal GDP and third-largest by purchasing power parity (PPP). However, it continues to face the challenges of poverty, corruption, malnutrition, and inadequate public healthcare, among others.

Legacies of Pre-Liberalization Import-Substitution Era

The socialist morass prevailed for more than four decades after India’s independence under the legacies of Nehru and Indira Gandhi. Moreover, the structural economic problems inherited at independence were exacerbated by the costs associated with the partition of British India. Government was assigned an important role in the process of alleviating poverty, and since 1951 a series of plans had guided the country's economic development but continued to face serious food shortages despite hoped for progress and increases in agricultural production.

Since 1950, India ran into trade deficits that increased in magnitude in the 1960s. The Government of India had a budget deficit problem and therefore could not borrow money from abroad or from the private sector. As a result, the government issued bonds, which increased the money supply, leading to inflation. Structural deficiencies, such as the need for institutional changes in agriculture and the inefficiency of much of the centrally directed industrial sector, also contributed to economic stagnation.

---

*See Indian economy at Wikipedia. This term was coined by Indian economist Raj Krishna to contrast with Korea’s rapid growth that led to it being referred to as the “Miracle of the Han River.”*
Until 1991, all Indian governments followed protectionist policies that hinged on 1) a self-autarky with limited import quota, and 2) an overvalued exchange rate. Under a typical import substitution regime, the Indian industries lacked competitive elements, which could be developed from an export orientation in the way Korea’s industries did. Wide spread state intervention and regulation largely walled the economy off from the outside world. An acute balance of payments crisis in 1991 forced the nation to liberalize its economy; since then it has slowly moved toward a free-market system by emphasizing both foreign trade and direct investment inflows, becoming a largely capitalist model. India acceded to the WTO in January 1995.

The Indian labor force (486.6 million workers) is the world’s second-largest as of 2011. The service sector makes up 55.6 percent of GDP, the industrial sector 26.3 percent, and the agricultural sector 18.1 percent. Major industries include textiles, telecommunications, chemicals, pharmaceuticals, biotechnology, food processing, steel, transport equipment, cement, mining, petroleum, machinery, and software. In 2006, the share of external trade in India’s GDP stood at 24 percent, up from 6 percent in 1985. In 2011, India was the world’s tenth-largest importer and the nineteenth-largest exporter, sharing 1.68 percent of the world trade. Major exports include petroleum products, textile goods, jewelry, software, engineering goods, chemicals, and leather manufactures. Major imports include crude oil, machinery, gems, fertilizer, and chemicals. Between 2001 and 2011, the contribution of petrochemical and engineering goods to total exports grew from 14 to 42 percent.
Recent Economic Growth in the Open Economic Regime

In 1991, India adopted liberal and free-market principles and liberalized its economy to international trade by eliminating Licence Raj, a pre- and post-British era mechanism of strict government controls on setting up new industries. Following these major economic reforms, and a strong focus on developing national infrastructure such as the Golden Quadrilateral project, the country’s economic growth progressed at a rapid pace, with relatively large increases in per-capita incomes. The south western state of Maharashtra contributes the highest toward India’s GDP among all states. Mumbai (Maharashtra) is known as the trade and commerce capital of India. Economic liberalization in India in the 1990s and first decade of the twenty-first century led to large changes in the economy.

Averaging an economic growth rate of 7.5 percent for several years prior to 2007, the growth of GDP peaked in 2006–2007 at 9.6 percent. India has more than doubled its hourly wage rates during the first decade of the twenty-first century. As a result, some 431 million Indians have left poverty since 1985; India’s middle class is projected to number around 580 million by 2030. Though ranking 51st in global competitiveness, India ranks seventeenth in financial market sophistication, 24th in the banking sector, 44th in business sophistication, and 39th in innovation, ahead of several advanced economies, as of 2010. With seven of the world’s top fifteen information technology outsourcing companies based in India, the country is viewed as the second-most favorable outsourcing destination after the United States, as of 2009.

India’s consumer market, currently the world’s eleventh largest, is expected to become the fifth largest by 2030. The government has allowed universal licensing in the telecommunication field, which allows CDMA license holders to provide GSM services and vice versa.
As a result, India is the third largest smartphone market in the world after China and the United States. Modern transport system in India started off the Golden Quadrilateral road network connecting main metros of Delhi, Chennai, Mumbai and Kolkata as one of the most ambitious infrastructure projects of independent India along with the North–South and East–West highway projects.

Its automotive industry—the world's second fastest in terms of growth—increased domestic sales by 26 percent during 2009–2010, and exports by 36 percent during 2008–2009. At the end of 2011, Indian IT Industry employed 2.8 million professionals, generated revenues close to $100 billion, equaling 7.5 percent of Indian GDP and contributed 26 percent of India's merchandise exports. The pharmaceutical industry in India is among the significant emerging markets for global pharmaceutical industry. India's research and development (R&D) spending constitutes 60 percent of the biopharmaceutical industry. India is among the top twelve biotech destinations of the world. The Indian biotech industry grew by 15.1 percent in 2012–2013.

**India's Economic Vulnerability to External Forces**

Since the adoption of economic liberalization policies, the Indian economy has been increasingly vulnerable to global economic forces for three reasons. First, the Indian economy is particularly vulnerable to global crude oil price movements because of its high dependency on crude oil imports. Second, the world cyclical business cycles and capital inflows affect global demand for Indian exports. Third, global imbalances tend to translate into economic imbalances in India, although India does not contribute much to global imbalances.

Immediately after the 2008 economic and financial crisis, India faced a supply-side shock emanating from the agricultural sector. On the macroeconomic side, India's experience with inflation also shows
considerable volatility due to the food articles inflation rate. In the
wake of inflationary pressures, the Reserve Bank of India attempted to
tighten monetary policy through periodic lifting of the policy interest
rate, leading to a deceleration in money supply as a result of higher
interest rates, at the expense of sacrificing potential growth rates.

On the income distribution, the top 3 percent of the popula-
tion still contribute 50 percent of the GDP and benefits of economic
growth have not trickled down. Education for all is still an unrealized
dream in India.

Longer-Term Prospects: Window of Opportunity

According to a 2011 Pricewaterhouse Coopers report, India’s GDP at
purchasing power parity could overtake that of the United States by
2045. During the next four decades, Indian GDP is expected to grow
at an annualized average of 8 percent, making it potentially the world’s
fastest-growing major economy until 2050. The report highlights key
growth factors: a young and rapidly growing working-age population;
growth in the manufacturing sector because of rising education and
engineering skill levels; and sustained growth of the consumer market
driven by a rapidly growing middle class. To achieve this performance
as envisioned, the World Bank cautions that India must continue to
focus on public sector reform, transport infrastructure, agricultural
and rural development, removal of labor regulations, education, energy
security, and public health and nutrition, which happen to be signifi-
cantly interlinked.

The potential growth of the Indian economy in the Twelfth Plan
period and subsequent years will be linked to three main features,

7 The term ‘demographic dividend’ refers to the economic potential that can be
unleashed for development.
services sector, and (3) the increasing globalization of the Indian economy, making India as a “window of opportunity.”

The working age population can be taken as ranging from 15 to 59 years or 15 to 64 years. This change has the twin effects of potentially increasing the saving rate and therefore capital formation in the economy as well as the labor force in the economy. This potential augmentation of both capital and labor, which are the two critical factors for determining output in the economy is a rare combination and lasts for a limited period of time. The projected share of the working age population at the minimum ratio was at about 54 percent in 1970 and the highest of the ratio at about 64 percent is projected to occur around 2033. The central driver of India’s growth potential is the demographic dividend. But the rising working age population needs to productively participate in the growth process.

Here the gender dimension of the demographic dividend should also be recognized. The work participation ratio for persons is at 61 percent and for females it is at only 40 percent according to the 2001 census. For productive employment, this growing workforce has to be educated and skilled for the accumulation of physical and human capital and technological innovation (Basu 2011).

A 2007 update entitled “BRICS and Beyond Goldman Sachs, 2007” estimated that India will surpass the U.S. economy before 2050 and will become the second largest economy of the world (Srivastava 2011). This implies that it will surpass every economy other than China ahead of the projections made by the BRICS 2007 Report. India will get increasingly integrated with the world economy, as the market share of exports and imports as a percentage of GDP increases to almost 40 percent by 2029–2030.

The key feature of the Indian economy in the next two decades will be the increasing role of private investment. Furthermore, growth should be inclusive for which it will need to be employment-intensive,
absorbing most of the younger population in the fast-growing sectors of the economy, by progressively increasing public investment in education and health. India’s binding constraint on growth is deficiency in energy and infrastructure. Growth should also be relatively clean. India’s manufacturing sector must remain competitive in the global market.

**Bilateral Korea–India Economic Linkages in Trade and Investment**

As both India and Korea have pursued aggressively an open trade regime especially after India’s liberalization measures, the bilateral relationship between the two countries in trade and investment has been rapidly expanded. It is a milestone in strengthening the bilateral economic linkage development that Korea and India have made the bilateral Economic Comprehensive Partnership Agreement (CEPA) effective since 2010 after starting CEPA negotiations from 2006. In August of 2009, both sides signed the agreements and made it effective in January 1, 2010. As it is clearly identified in the agreement, CEPA aims to liberalize and facilitate trade in goods and services, and expand investment between the two countries (Ahmed 2011.)

**Bilateral Trade Flows**

India became Korea’s seventh largest export partner in 2010, rising from ninth in 2009, and overtaking Germany. With regard to bilateral trade volume in real terms, India could rank as high as number five, ruling out Hong Kong and Singapore, where most of the trade is

---

8 This section heavily draws from Cho (2012).
undertaken in the form of entrepot trade. India's share in Korea's total
exports was 2.1 percent in 2008, 2.2 percent in 2009 and rose again
to 2.5 percent in 2010. Currently, it stands at 2.3 percent, making India
Korea's ninth largest export partner in 2011. Korea's exports to India
have been increasing primarily in boilers and machinery, electric
equipment, steel, and auto parts, and wireless telephone parts.

Since the effectuation of the Korea–India CEPA, Korea's trade
volume with India has increased at a faster rate than that of Korea's
total trade volume. Korea's exports to India in 2010 amounted to about
$11.4 billion, a 42.7 percent increase from the same period in 2009,
much higher than the rate of increase of Korea's total exports. Korea's
exports to India in 2011 reached about $12.7 billion, a 10.7 percent
increase from 2010.

India's share of Korea's total imports was 1.5 percent in 2008
and 1.3 percent in 2009 and 2010 respectively but rose to 1.5 percent
in 2011. Although Korea's imports from India saw an increase, India
still has remained Korea's sixteenth or seventeenth largest import
partner since 2008. Korea's imports from India have seen an increase
primarily in steel, mineral fuels, cotton, aluminum and zinc.

Since the effectuation of Korea–India CEPA, Korea's imports
from India have risen sharply compared with that of Korea's total
imports during the same period. Korea's imports from India in 2010
amounted to about $5.6 billion, increased by 37 percent from 2009,
which is higher than 31.6 percent, the rate of increase of Korea's total
imports during the same period. Korea's imports from India in 2011
rose to $7.9 billion, a 39.1 percent increase from the same period in
2010, which is higher than 23.3 percent, the rate of increase of
Korea's total imports.

At the time of the Korea–India CEPA effectuation in 2010,
there were quite a few items for which the CEPA preferential rates
were even higher than the most favored nation (MFN) rate. This was
largely due to the time lag, as negotiations took more than three years. Korea and India began negotiations based on the MFN rate of April 1, 2006, and after that, India continued to lower the MFN rate. India’s average tariff rate for non-agricultural products was 16.4 percent in 2006, and it fell to 10.1 percent in 2009.

In effect, as of 2011, the CEPA preferential rate for seven of the top 50 export commodities to India (HS 6) is still the same as or higher than the MFN rate, and exports of these items amount to about $1.6 billion in 2011 (January–August), accounting for about 17 percent of the total. The top 50 export items to India account for about 64 percent of total exports. On the other hand, among the top 50 import commodities from India, there are only three items for which the CEPA preferential rate is either the same as, or higher than, the MFN rate as of 2011. This discrepancy has led to an expansion of items outside the list of concessions, thus undermining the impact of the CEPA. At the time of CEPA’s effectuation in 2010, the ratio of concessional tradable goods to Korea was lower than the concessional rate India offered Japan in the Japan–India CEPA, which went into effect in August 2011.

If both Korea and India reduce the CEPA preferential rates at least to the MFN rate, it would result in an increase in India’s exports to Korea, helping resolve India’s trade deficit vis-à-vis to Korea. For example, a 20 percent tariff reduction on all items except for agricultural and fishery products will result in an increase in terms of trade effect to a level of $350 million and $1.1 billion for Korea and India, respectively, which would help cut India’s trade deficit by $750 million. A 20 percent tariff reduction will also yield a welfare effect worth $35 million to Korean consumers and $106 million to Indian consumers. Korea and India set the target of achieving $30 billion by 2014 when the Korea–India CEPA went into effect. The target is relatively low, given the trade and GDP potential of Korea and India.
Moreover, India has lately been setting higher targets in FTAs with other countries.

A forecast based on the average growth rate of trade volume at 14.5 percent over the past 13 years (1993–2010) puts the bilateral trade volume at approximately $34 billion by 2015, and $68 billion by 2020. Consequently, it is highly desirable to negotiate an early upgrade of the Korea–India CEPA and increasing items for trade concessions. The acceleration of tariff reduction is expected not only to increase the bilateral trade volume, but also to help address India’s trade deficit vis-à-vis Korea.

**Bilateral FDI Flows**

Korean companies started entering India in the mid-1990s and their performances have become well known globally, giving other competitors strong motives to enter the Indian market. Recently, Indian firms, particularly carmakers, have also entered the Korean market through the mergers and acquisitions (M&A) route. Now with the Korea–India CEPA, investment flows between the two countries are expected to increase rapidly, which would lead to a closer economic relationship between them.

The CEPA between Korea and India has been in effect for less than four years, making it premature to evaluate the full impacts of CEPA on the bilateral FDI flows. However, an analysis of the trends in FDI flows and a comparison of their performances before and after CEPA allow us to see the important role CEPA has played in improving bilateral investment relationships. Furthermore, a brief look at the impacts of the Comprehensive Economic Cooperation Agreement (CECA) between India and Singapore, which went into effect in

---

9 This section heavily draws from Kwan (2012).
2005, also gives us a good reference and useful implications.

The United Nations Conference on Trade and Development (UNCTAD) (2009) framework shows that the host country FDI determinants can be classified into three categories: economic determinants, policy framework, and business facilitation. Economic determinants are again classified into three sub-groups depending on type of FDI: market-seeking, efficiency-seeking, and resourcing-seeking. However, in reality, FDI flows are usually determined by the interaction of a variety of determinants above.

UNCTAD (2009) showed that the recent global FDI boom has been largely of the market-seeking type. Thus, the host country’s market-size variable has been the dominant factors for FDI attraction. The determinants of efficiency-seeking FDI constitute the second most important economic determinants of inward FDI, particularly in developing countries. Bilateral or multinational investment treaties (BIT or MIT) are only one form of policy framework. BITs do not change the key economic determinants of FDI. They stimulate FDI through the improvement of policy and institutional frameworks.

A case study of the CECA between India and Singapore shows some interesting features. India and Singapore have long maintained cultural and economic relations. About 9 percent of the Singaporean population is of Indian origin and Tamil (the official language in the State of Tamil Nadu, India) is accepted as an official language in Singapore. The relationship between the two countries has become more intimate through the India–Singapore CECA, which went into effect in 2005. The CECA played a crucial role in increasing bilateral FDI flows between India and Singapore.

With regard to investment, the Korea–India CEPA is the first of its kind on the Indian side that allows a negative list approach.\textsuperscript{10}

\textsuperscript{10} A negative list approach specifies all the sectors in which Korean investments are not allowed, while all other sectors are supposed to open to Korean investments.
Korean investors are thus allowed to enter the overall manufacturing sector with exceptions for only a small number of sectors, such as the agriculture, fishery, and mining industries. Korean FDI into India can enter the sectors of food and beverage, textile, clothing, chemical goods, machinery, metallic mineral, automobiles, electrical goods, etc. Likewise, Indian investors can also enter the overall Korean manufacturing sector and even the agricultural sector, with exception to rice and barley cropping.

Both countries now open a wide range of service sectors, such as communications, business services (e.g., accounting, real estate, medical treatment, energy distribution, etc.), construction, distribution, distribution (excluding retail), advertising, leisure/culture, and transport services. Particularly, in the case of the banking sector, the Indian government renders favorable consideration to Korea. Korean banks are allowed to establish up to 10 branches within four years of the year in which the agreement went into effect. This can be interpreted as an important favor given by Indian authorities when we consider the typical practice of Indian financial authorities in granting approval of the establishment of only about 20 branches of foreign banks each year.

Furthermore, when the Joint Committee was held in January of 2011 to review the implementation of the Korea–India CEPA, they agreed on the coproduction of audio-visual programs with a special emphasis on the game industry. Korean companies are now allowed to acquire up to 74 percent of stakes in the Internet and infrastructure service.

According to estimates of international institutes and consulting firms, India has been recognized as one of the most desirable investment destinations in the world along with China and the United States. India has two key merits: a high economic growth rate and big potential market with the world’s second largest population. AT Kearney
publishes the FDI Confidence Index every year, wherein India has emerged as one of the top ten preferred FDI destinations since the early years of the twenty-first century. India has also been included in the top ranking of favorable FDI countries published by UNCTAD and Ernst & Young. In contrast, Korea is a small, open economy with a population of only 50 million. With this market size, Korea is not seen as an attractive and favorable FDI destination.

Between 1995 and 2005, about $5–6 billion in FDI flowed into both countries on average each year except the sell-out period (1999–2000) in Korea. However, since 2006, the FDI inflow into India has increased to reach about $40 billion in 2007, while the inflow into Korea has remained stagnant at about $5 billion. In 2008, FDI inflows into India peaked at $42.5 billion while that into Korea remained at only $8.4 billion. In 2010, even during a global economic crisis, India attracted $24.6 billion in FDI while Korea drew only $6.9 billion.\(^\text{11}\)

The FDI figures for both economies still remain far below the global average relative to their potential, indicating that there is still much room for both countries to make more efforts to draw larger and better quality FDIs for their economic development. Although Korea introduced the proactive inducement of FDI after the Asian financial crisis, Korea’s outbound FDI in the past six years was three times inbound FDI. As cross-border supply chains are becoming the new business life, both India and Korea need to create a more robust and friendlier business environment for inbound FDI.

As for the bilateral FDI linkages between Korea and India, the FDI inflows of Korean origin into India in the 1990s were about 9.7

\(^{11}\) Since 2005, FDI stocks in India have accumulated very fast with the inflow of huge amounts of FDI, which surpassed the level of Korea in 2007 and reached $197.9 billion in 2010. In contrast, the FDI stock in Korea remained at about $100–130 billion.
billion rupees, accounting for 4.6 percent of the total FDI inflows into India. But still, Korea was the fourth largest investor to India after the United States, Mauritius, and the United Kingdom (UK) mainly due to huge investments in the mid-1990s by three major Korean conglomerates—LG Electronics, Samsung Electronics, and Hyundai Motor.

However, in the first decade of the new century, the inflows of Korean FDI into India have stagnated compared to those of other countries, though there was another wave of Korean FDI during the second half of the decade. The cumulative Korean FDI into India from April of 2000 to May of 2011 was $803.64 million, accounting for only 0.58 percent of the total FDI inflows into India. The second wave of Korean FDI during the last five years was mainly attributed to the capacity expansions of the three big Korean players and partly to new investments made by POSCO, Shinhan Bank, and Mirae Asset Management. As the world’s most efficient consolidated iron and steel plant at one site, POSCO has claimed the global recognition of producing high quality and “green” iron and steel. It is conceivable that the world’s biggest steel maker, ArcelorMittal with 10 percent of the world’s output in India can develop mutually beneficial linkages with the POSCO.

In this context, POSCO and the State of Odisha signed a MoU for the largest amount of FDI for a consolidated iron and steel plant amounting to $12 billion in India in 2005. For several reasons, including environmental clearance and land acquisition, POSCO has not yet made significant progress in the project. Local government authorities, the central government’s ministry, other NGOs, and landowners have their respective voices when it comes to business permits and land acquisitions. As agreed at the summit meeting between Korea’s President Park and India’s Prime Minister Singh in January 2014, the POSCO project needs to be formally embarked upon as early as possible to pave the way for full-pledged FDI flows between
The project is likely to usher in new breakthroughs for Korea’s FDI into India including several other projects to establish downstream mills in the State of Maharashtra and running three processing centers in India.

So far, most Korean FDI into India has been in the manufacturing sector. The main reasons for Korean manufacturers to come to India are to secure production bases with cheaper wages than Korea and marketing platforms. The Korean market is already saturated and thus highly competitive, driving Korean firms out to find new markets. India, located between Asia, Europe, and Africa, has very favorable geographical conditions. When Hyundai Motor, Korea’s largest automotive manufacturer, decided to come to Chennai, India, this geographical condition and export potential and opportunity played an important role along with its huge domestic market. Hyundai Motor India is now the largest car exporter in India, exporting more than 200,000 cars to the EU, Africa, the Middle East, and Latin America.

The second largest sector attracting Korean FDI into India is the wholesale and retail trade sector. It is still under debate whether the Indian government should deregulate FDI in the retail sector, in which foreign investors are keenly interested. In recent years, Korean firms have expanded their business areas in various sectors beyond manufacturing, such as a home-shopping TV channel, a courier service, a dental hospital for children, online games, financial and retail, etc. In 2010, the shares of Korean FDI in wholesale and retail trade and construction increased to 11 percent and 7 percent, respectively, while that of the manufacturing sector decreased to 74 percent. In the case of the dental hospital and the online game sector, they were able to enter the Indian market thanks to CEPA, which allows their service in India. Furthermore, Korean wholesale and retail companies have invested in a small scale in India and are waiting for a deeper and wider deregulation.
Until very recently, the major foreign investors into Korea are developed countries such as the EU, United States, and Japan accounting for 80 percent of the total FDI inflow into Korea. However, Korea is now encouraging FDI inflow from emerging trading partners like India. In recent years, Indian companies have started investing in Korea mainly as Indian companies are gaining confidence in the global market and India’s Look East Policy to emulate high performing countries in East Asia. Indian FDI inflows into Korea have mainly gone into the service and manufacturing sectors. Among those investments, Tata Motors acquired a Korean auto plant in 2004 and Mahindra & Mahindra acquired Ssangyong Motors (worth $371 million) through M&As in 2010.

The intensity of FDI from India to Korea was almost zero up to 2009 and went up to 0.74 in 2010. In contrast, the intensity of FDI from Korea to India was 5.7 in 2007 and it showed a downward trend until it reached 2.01 in 2010. This implies that Korean investments into India have been greater than the supposed-to-be level, while Indian investments into Korea have been much less.

Based on the findings above and ballooning FDI record as a result of the CECA between India and Singapore, one can expect that the Korea–India CEPA is likely to usher in larger and stronger bilateral FDI relations in a broader range of sectors. Due to its huge population and big market potential, India has been much more successful in attracting FDI than Korea. However, it should be noted that both countries have not induced FDIs to the level matching their GDP or gross capital formation, both far below the global average.

The World Bank releases a “Doing Business Index (DBI)” (World

---

12 The Indian firms that have established their presence in the Korean market are Tata Motors, L&T Infotech, Mahindra Satyam, Indian Overseas Bank, Tata Consultancy Services, Jindal Stainless Steel, Nucleus Software Solution, and Wipro Technologies.
Bank 2012) each year. The index covers 183 countries and ranks them accordingly based on measures in ten regulatory areas. Singapore ranked at the top with its most favorable business environment for FDI while Korea and India ranked eighth and 132nd, respectively in 2012. In the case of India, the categories in which it ranks at low levels are “starting a business,” “dealing a license,” “paying taxes,” and “enforcing contracts.” Challenging issues pointed out are that there are too many procedures and it costs too much to get a license from the Indian government. For example, it takes about five years on average to resolve a business conflict through courts, implying that India needs to reform its legal system to make it more business friendly.

In the DBI 2010, Korea ranked nineteenth. However, Korea jumped to the top ten in 2012. It is true that Korea has a bad reputation in the labor market. However, in the “hires and fires” category, Korea ranked 150th, showing the rigidity of the Korean labor market. In 2012, the World Bank replaced “hires and fires” with “getting electricity.” Korea is well known for providing low-priced, good quality of electricity for production activities. For Korea, the rigidity of the labor market remains a serious challenge to attract more quality FDIs.

Most of the Indian foreign investment has gone to Europe or the United States. As a result, Indian FDI into Korea is less than 0.05 percent of India’s total outbound foreign investment. Indian companies have, so far, not looked at Korea as a meaningful investment destination. Significant joint ventures between the two countries could be developed in IT and its related fusion sectors, machinery, metallic sectors, chemicals, green energy, and even finance and other business services. At present, many Korean medium-sized companies are in search of international business partners to utilize the govern-

13 The 2010 survey shows that when a company wants to lay off a worker in Korea, it has to pay 91 weeks of salary on average.
ment’s “creative economy” policy drive, looking for joint ventures in R&D areas and India’s competitive software industries.

**Key Strategies for Enhancing Bilateral Economic Linkages**

After World War II Korea viewed India as a remote nation with a non-alignment doctrine. India also viewed Korea as one of the poorest war-torn economies in the world. Converging points for any meaningful economic partnership between the two countries were nonexistent. But since India adopted an active open-door strategy in the mid-1980s, the two countries started to show great interest in each other. They now share firm democratic values and an outward-looking economic development orientation, which are rare traits among Asian countries. India has a big population and huge landmass. In a sense, Korea is at the opposite extreme with far less land and a smaller population.

Despite tremendous difference in factor endowments, Korea and India share remarkable common interests in pursuit of economic progress. The two countries are closely bound in this increasingly globalizing era to mature political democracy and robust market economic system. The unique features contained in industrial deepening experienced by Korea and India respectively could be a great source of mutual learning and emulations. Korea’s industrial dynamics and competence, which has been accumulated through fierce competition in domestic as well as overseas market under export-oriented development paradigm might worth careful scrutiny for India. India’s rise as the IT software power house including big data management and India’s financial sector development is the area in which Korea needs to emulate. India and Korea must utilize the CEPA to increase their bilateral trade and investment linkages to its full potential.
Given the substantial difference in factor endowment, industrial structure, export items, and development strategies, Korea and India should use their respective comparative advantages to increase mutual trade and investment in each other’s market. Korea has the advantage of a strong manufacturing base and overseas SOC development experiences. Similarly, India can take advantage of its highly skilled but still low wage human resources and abundant natural resources. For example, within the IT sector, Korea has a comparative advantage in hardware whereas India has more of a comparative advantage in software-related areas. Both countries are energy scarce and depend heavily on imported oil. Both have developed competitive energy sub-sectors including nuclear energy plants. Therefore, mutual trade and investment in green energy, including civilian nuclear energy, is a promising area for more intensified bilateral cooperation.

Looking forward, the first thing both countries need to address is the timely and deepening harmonization between the MFN tariff rate vis-à-vis the agreed tariff rate of CEPA. The higher CEPA tariff rates than MFN ones in many instances have made the free trade deal less meaningful. Thus, the two countries need to upgrade the Korea–India CEPA as early as possible to ensure faster and wider reduction of tariffs and further elimination of non-tariff barriers between the countries. For this purpose, the two sides need to conduct regular official consultation meetings to address these issues. With the improved CEPA, one can be more ambitious about expanding bilateral trade and investment volume. The two should aim for the virtual elimination of tariff and non-tariff barriers in a shorter than five-to-ten years’ time frame.

Concession items included in the CEPA also need to be expanded. Currently, Korea and India depend on the Chinese market too much. In the long run, excessive dependence on China is likely to be risky
in the event that the Chinese economy slows down or falls into severe uncertainty. Thus, both countries need to diversify their trading partners. India and Korea as leading trade economies in the world are perfect candidates for the mutual diversification of exports and imports.

On the FDI side, the two countries need to strengthen and diversify the areas for investments. Both the POSCO project and other SOC projects need to be implemented to open a new chapter for the bilateral FDIs. Globally competitive Korean IT industry, shipbuilding industry, steel-making industry, and chemical industry could be great opportunities for India’s foreign direct investment into Korea. There is a lot of room for Indian manufacturing companies to invest in Korea and develop industrial technologies, which Korea has recently developed as a latecomer of industrial development compared to other advanced economies. Indian companies invested in Korea can bring necessary parts and components back to India in the loop of cross-border value chains and then export them overseas.

Unlike other FTAs, the Korea–India CEPA includes wider openings of services and especially brain embodied services with respect to the movement of natural persons, skilled and independent workers, engineers and scientists, and business professionals. This was not included in the Korea–U.S. FTA. In this regard, both sides need to further open their service sectors to explore new areas for expanded collaborations. Korea needs many talented English-speaking people to work on IT software development, R&D, and financial big data management.
Korea and Indian Cooperation in the Regional and Global Contexts

As the economic gravity shifts to Asia, Korea currently depends heavily on the China market, which accounts for nearly 30 percent of Korea’s total exports. But China’s economic growth is likely to slow down in the year to come as its economy starts to show high wage syndrome. Being excessively involved in trade with China, India also has similar risks. To avoid such dependency risks, Korea and India have to look for new markets. For Korea, India and other Southeast Asian countries offer viable alternatives. India has a large population and a huge domestic consumption market, given the rising per capita income. Korea should pay serious attention to the Indian market. Today, India and China are growing neck-and-neck. The Asian Development Bank (ADB) (2011) predicts that India’s GDP is expected to be bigger than China’s by 2050. Thus, recognizing the Indian market potential and long-term perspective for expanded East Asian integration including India and India’s balancing efforts against rising China, Korea and India must pay more attention to developing viable institutions for larger regional economic integration.

Recently, the economic landscape of the Asia–Pacific rim appears to be undergoing a rapid transition due to two ongoing, intra-regional, mega economic-bloc movements. One is the U.S.-anchored Transpacific Partnership Agreement (TPP) with eleven other participating economies, including the initial member states of 2005 (Brunei, Chile, New Zealand and Singapore) and those that entered later (Australia, Canada, Japan, Malaysia, Mexico, Peru and Vietnam). The other free trade initiative is the Regional Comprehensive Economic Partnership (RCEP), which includes ASEAN and its six FTA partners (Australia, China, India, Japan, Korea and New Zealand). How should India and Korea be poised to deal with the international and regional mega trends?
The proposed TPP accounts for 38 percent of the global GDP and 30 percent of global trade and aims to be concluded under President Obama’s priority agenda within the year or by June of 2014. On the other hand, the RCEP, with a combined GDP of about $17 billion, is likely to create the world’s largest trade bloc and account for 40 percent of global trade. Negotiations look to be concluded by the end of 2015. China has recently been very enthusiastic about concluding the RCEP deal.

In a larger sense, all the negotiating members, except India, of both the TPP and RCEP, which are an intersection of seven economies, constitute the Asia–Pacific Economic Cooperation (APEC) entity. This body envisions a free trade-oriented Asia–Pacific community. In 1994, all the APEC leaders at Bogor, Indonesia adopted the Bogor goals, which aim for free and open trade and investment in the Asia–Pacific by 2010 for developed economies and by 2020 for developing economies. Although the APEC process has been slow, the United States, China, and Japan have been fully committed to APEC’s Asia–Pacific community, specifically leading to a Free Trade Area of the Asia–Pacific (FTAAP).

Some commentators view the TPP as a part of the United States’ “pivot to Asia” policy to check the rapid rise of China’s hegemonic power in Asia. Following the successful conclusion of the Korea–U.S. (KORUS) FTA, Korea began negotiating a bilateral FTA with China to enter the second phase for establishing a high-quality and comprehensive FTA. Simultaneously, after the conclusion of the KORUS FTA, Korea was also invited by the United States to join the TPP negotiation rounds. Given these various integration paths, what position should Korea take? Above all, Korea should not hesitate to join the TPP negotiations and push for an early conclusion of the RCEP for not only its own national interest, but also the eventual integration of the TPP and RCEP toward the FTAAP.

Korea became the first significant economy to have an effective
FTA with the EU in 2011, the United States in 2012, ASEAN and many medium and smaller negotiating economies of the TPP and concluded negotiations with Canada and Australia respectively in 2014. So, it may not be difficult for Korea to join the TPP process. But if Korea misses the chance to be a founding member of the TPP, which appears to focus on the next generation of trade rules, Korea will have to pay high entrance fees in the future and accept an agreed-upon framework without being able to negotiate for Korea’s own interests. In other words, Korea cannot afford to take a wait-and-see approach.

In contrast to its hitherto active pursuit of multi-track FTAs, Korea has not been involved in mega trade deals in the Asia-Pacific. Korea has been pushing the Korea–China FTA with higher priority as China is Korea’s number one trading partner and most favored destination for Korea’s outbound foreign direct investment. China is also a strategic and influential partner of Korea for the prevention of North Korea’s nuclear ambitions.

Recently, some Chinese scholars suggested that China also needs to join the TPP in the not-too distant future or even establish a bilateral FTA with the United States for its sustainable growth. In recent years, China and the United States have become increasingly interlocked in terms of trade and China’s purchase of the lion’s share of U.S. treasury bills. India has been enthusiastic in the RCEP movement. The more the United States and China play a zero-sum hostile game for the sake of hegemonic leadership, the more unlikely the APEC goals in the Asia-Pacific rim economies will be realized.

By actively pushing through the RCEP and joining eventually the TPP, Korea and India could facilitate a convergence of the two mega trade deals by bringing China into a better market-disciplined economy with Intellectual Property Rights (IPR) and investor protection, global labor standards and more.
Summary and Policy Implications

Korea–India ties have developed tremendously from being an ordinary, distant relationship to a strategic partnership. Korea and India do not suffer from any territorial disputes or history issues, which may sour relations or make a bilateral relationship unstable. Today, both India and Korea have a unique relationship in terms of having very like-minded institutions such as a market economy and political democracy and common values on peaceful international relations. The concept of a “strategic partnership” embraces trade and investment as much as military cooperation.

Despite tremendous difference in factor endowments, Korea and India share remarkable common interests. The two countries are closely bound in this increasingly globalizing era to mature democracy and robust market economic system. The unique features of industrial development experienced in Korea and India respectively could be a great source of mutual learning and emulations. Korea’s industrial competence accumulated through fierce competition in domestic and overseas markets under an export-oriented development paradigm is worth India’s careful scrutiny. India’s rise as an IT software powerhouse including big data management and India’s financial sector development are areas that Korea needs to emulate. India and Korea must upgrade the CEPA quickly to increase the bilateral trade and investment to its full potential.

Korea now faces daunting challenges to diversify its trading countries away from excessive dependence on China and to maintain traditional partners like Japan and the United States. Korea also needs to close the widening gap between its outbound and inbound FDI with about one third of its outbound in the past decade. Korea also needs to strengthen its service sectors through international trade and collaborations. The financial sector must be developed through further
liberalization and deregulation. India also needs to carry on liberalization measures for trade and cross-border investment more aggressively for the construction of massive infrastructure networks, manufacturing, and service sector efficiency. India also needs to balance China's drive for increasingly visible hegemonic leadership in Asia.

India's strong software capabilities and Korea's hardware manufacturing powers are "complementary strengths" of the two countries. Visions of India as a major growing market for Korean products and technology extend to virtually all areas of enterprises. Korea's long quest for high tech and SMEs development for international competition might provide India with highly relevant and applicable lessons.

In order to upgrade the bilateral relationship to a truly strategic partnership, two countries need to deepen a trust-building process at the government level as well as people-to-people level. It can be done rather quickly because the two countries share many common values, such as a political democracy and market economy, which are unique for upper-middle powers in the world. Unlike China and Japan, both India and Korea are free of historical and territorial issues between each other. Both countries enjoy historical linkage.

Since the CEPA became operational between the two countries, the bilateral economic relations have grown multiple-fold. The bilateral trade volume has increased almost two-fold, from $11.2 billion in 2007 to $20.5 billion in 2011. The CEPA should have been more fully used on both sides by lowering the CEPA tariff rate below the MFN rate with increased concession items. An early considerable reduction of the CEPA rate is likely to lead India to increase its access to Korea's market.

Down the road, the peoples of both countries should get over any psychological barriers they may feel due to the geographical distance. For many Koreans, India is still a faraway country. Similarly, many Indians think Korea is in the remote East. The two countries
need to overcome these feelings and increase mutual understanding if they hope to reap their great cooperative potential, still unrecognized and emerging, in the years to come. The potential for cooperation in the education sector is huge. Korea is trying to attract Indian students to its higher educational institutions. Korean students are also urged to enroll at India’s counterparts in IT, engineering, and the humanities. Thus, two countries need to expand each other’s university exchange programs to let people feel how they could benefit from each other by engaging in more business and people-to-people exchanges.

India–Korea cooperation can greatly benefit not only the two countries but the world at large, which can also strengthen security interests in Asia and worldwide. The two countries should maximize their mutual strengths due to the great inborn diversity of their economies for regional prosperity in multi-lateral settings.

There are many important international bodies where the two countries can work together to promote common prosperity and peace. India and Korea are important players in many multilateral processes such as ASEAN, ASEAN+6, East Asia Summit, APEC, and G20. Both countries also share the vision of a common Asian Economic Community. They are also important players as the middle powers of the G-20. India and Korea as the middle democratic and economic power in the world should work together by deepening the bilateral and multilateral linkages, which two countries have already developed.

References


China is rising as a new military power. Obtaining notoriety as a strong military (强兵) and a wealthy nation (富国) has been national objective that the Chinese people have yearned for since the Opium Wars of the 1840’s. Accordingly, China’s Defense White Papers clearly note, “building fortified national defense and strong armed forces compatible with national security and development interests is a strategic task of China’s modernization” (Information Office of the State Council 2011a). Considering China’s rise as a strong military power, it is understandable that the People’s Liberation Army (PLA) is continuing to modernize its military capabilities to protect its expanding national interests, such as securing Sea Lanes of Communication (SLOCs), protecting maritime territories, and safeguarding their overseas nationals.

However, the PLA’s modernization has caused doubts and concerns among regional states. Though Beijing has argued that “it takes a path of peaceful development” (Information Office of the State Council 2011b), and insists that China pursues a national defense policy which is defensive in nature, regional states have reasonable concerns as to what China’s growing military power could mean for regional security. In fact, China has played a central role in stabilizing
economic crises in East Asia in the late 1990s, and it has contributed to recovering the regional economy from the financial crisis of 2008. Also, China has become a status quo power in mediating the Six Party Talks to scrap North Korea’s nuclear program since 2004. Recently, however, China has shown an unprecedented assertiveness regarding regional security issues, such as the Spratly Islands dispute, the Senkaku Islands (Diaoyudao) dispute, and has criticized the U.S. returning to Asia. Beijing’s resolute and assertive attitude concerning its core interests have raised doubts as to whether or not China’s grand strategy has changed from Deng Xiaoping’s famous maxim, Taoguangyanghui (鴟光養晦) meaning *hide and raise capabilities secretly* to Jijizuowei (積極作爲), which means *taking the initiative with a more active stance*.

With this in mind, this chapter asks the following questions: What is China’s military strategy and how can we evaluate current PLA capabilities? What is the impact of the modernization program of Chinese military on regional security? What is Korea’s defense policy with regard to critical issues on the Korean peninsula? What are some available policy measures for Korea to promote defense cooperation with India?

I argue that further enhancement of China’s military capabilities will increase the uncertainty of regional security for four main reasons. First, China’s continuing rapid military buildup will cause changes in regional balance of power, and undermine the U.S. role of “stabilizer.” Second, being confident of its military capabilities, Beijing will be likely to extend perusal of its core interests, which would intensify the possibility of military conflict. Third, as the chance of military confrontation increases, countries including the U.S. and China will compete to produce more modernized weapons, leading to a regional arms race. Fourth, China could involve itself in issues already on the Korean peninsula, including North Korea’s nuclear program, Korea’s
involvement in missile defense, strategic flexibility of the U.S. Forces in Korea (USFK), and the reunification of the two Koreas.

Therefore, South Korea’s defense policy should focus on three pillars: maintaining a strong alliance with the U.S., developing cooperative military relations with the PLA, and modernizing its own military capabilities.

To begin this discussion, I examine China’s military strategy and review the PLA’s modernization efforts. I then identify some of the implications of China’s intensifying military capabilities on regional security, and suggest a defense policy for South Korea regarding the major security issues on the Korean peninsula. Finally, I recommend possible policy options for Korea to enhance its defense cooperation with India, a country facing similar challenges from a changing balance of force within the region.

**China’s Military Strategy**

There are two factors in China’s present military strategy; that is, informationization of the military, and anti-access/area denial (A2/AD). China endeavors to develop informationized warfare capabilities to cope with the U.S. military forces long term, and pursues an A2/AD strategy as a short term strategy to offset the superior U.S. forces until the Chinese military accomplishes its informationization goals.

Here, I wish to elaborate a bit more on China’s informationization strategy. The PLA acknowledges that the worldwide Revolution in Military Affairs (RMA) is gaining momentum. As the global culture moves from the industrial age to an age based on the transmission of information, the forms of warfare must also undergo a similar transformation; from mechanization to informationization. This has become a key factor in enhancing the warfare capabilities of the armed forces.
Based on China’s national conditions and the PLA’s own conditions, the PLA is utilizing mechanization as the catalyst to promote the next stage of informationization, and is utilizing informationization as the driving force to bring about mechanization (Information Office of the State Council 2011). China has worked to speed up its RMA with Chinese characteristics to catch up, and achieve a “leap frog” form of development.

According to the Defense White Paper of 2006, the PLA made it clear that it would pursue a three-step development strategy in modernizing national defense, and armed forces. The first step was to lay a solid foundation by 2010, where the PLA aimed to selectively replace a limited portion of its existing arsenal with new-generation naval, aviation, and missile hardware. The central objective of this phase was “to acquire the capability to allow the PLA to achieve a quick and decisive victory against Taiwan while deterring U.S. military intervention (Hu 2007). The second step was to make major progress by 2020, an “ambitious goal of catching up with the world’s second tier of regional military powers, such as Japan, Russia, and Western Europe, and narrowing the gap with the United States” (Hu 2007). The third step was to reach the strategic goal of building informationized armed forces, and become capable of winning informationized wars that could potentially crop up within the mid-twenty-first century (Hu 2007). China will continue its military buildup until the PLA has the capability to secure its core interests independently. Considering that China’s target year of defense modernization is by 2050, China’s defense budget is slated to ascend steadily until then. Having finished the first phase of modernization successfully in 2010, the PLA has begun producing more advanced military hardware, such as the Fifth Generation fighter, additional aircraft carriers, and the KJ-2000 early warning and control aircraft with indigenous technology.

The second strand in China’s military strategy is to enhance its
A2/AD capability. China has reinforced its arsenal of such anti-access and area-denial weapons; presenting and projecting an increasingly credible, layered offensive combat capability into the Western Pacific (Cliff 2007; Office of the Secretary of Defense 2009; US–China Economic and Security Review Commission 2010). The range and sophistication of U.S. air and naval forces once posed a great threat to Beijing’s core security. These specialized weapons were also able to offset the PLA’s influence over continental and maritime developments in the region beyond the PRC’s borders. Thus, China began to increase A2/AD capabilities to prevent the U.S. Navy from deploying forces in waters that encompass the second island chain stretching from the Japanese archipelago to Guam, the Marshall Islands, and Australia. These A2/AD capabilities include submarines equipped with anti-ship cruise missiles.

China’s interception experiment with targeting a satellite with a ballistic missile in January 2007, demonstrated that the PLA had developed its military capabilities to attack space assets and paralyze an opponent’s satellite-based communications systems. Additionally, the current development of anti-ship DF-21D missiles equipped with censors to locate targets provides more evidence for the likelihood of A2/AD strategies being used to destroy large U.S. crafts, including aircraft carriers. Consequently, if military conflict breaks out on the Spratly Islands or elsewhere, the PLA could strike U.S. communications systems, aircraft carriers, logistics mechanisms, transportation and air bases, blockade sea lanes and ports, and prevent the use of bases on allied territory. All of this would delay and/or deter U.S. deployment in the region (Cliff 2007). If the deployment of U.S. forces were to be compromised, China could achieve its political aims through a blitzkrieg operation with rapid and decisive military action on the Taiwan Straits, East China Sea, South China Sea, and other areas. Indeed, if current U.S. capabilities wane further, the integrity of U.S.
alliances and security partnership with China could be called into question. Reducing U.S. security capabilities and subsequent influence in the region increases the possibility of conflict.

**PLA Modernization**

Over the past two decades, China has demonstrated that it has the capability to rapidly develop military power. To achieve the two strategic aims, informationization of the military and completing A2/AD capabilities, the PLA has accelerated modernization program of its army, navy, air force, and the 2nd artillery. There is little question that the PLA will ultimately meet these modernization objectives. The question, therefore, is when it will do so (Cozad 2009).

China’s army, beyond defending these respective military districts, is tasked with working on improving its maneuverability over the entire national territory. China is putting emphasis on securing capability for air-ground operations, long distance maneuvering, rapid landing, and special operations to achieve better strategic mobility, and multidimensional attack and defense. The Chinese Army is now structuring existing motorized forces to operate beyond each military district, and promoting mobility for operation outside of each military district, while simultaneously reinforcing each unit’s armor, air defense, army aircraft, air-ground cooperation, and electronic warfare capability. Recently the PLA Army introduced attack helicopters such as the Z-10 and Z-19. In addition, it is also securing medium-range ground to air missiles such as CSA-16, CSA-15, and PGZ-07; a self-propelled anti-aircraft gun system.

The PLA Navy, with the concept of “offshore active defense” (jijidejinhaifangyu, 近海積極防禦) in mind, is expanding its operational area beyond the coastal area to offshore areas, of the first island chain,
linking the Ryukyu Islands, Taiwan and the Philippines. China previously classified the “coastal sea” as an area of preparation for conventional threats, while “offshore” is noted as a location for preparation in case of unconventional threats. But in its 2012 Defense White Paper, China articulated that its “offshore” operations encompassed maneuver and strategic deterrence or counter attack missions, as well as international cooperation and preparation for unconventional threats (Information Office of the State Council 2013). This shows that China is beginning to consider the more distant sea area as a venue for strategic competition and reveals its intention to go beyond the coastal sea and advance to the ocean.

The Chinese Navy plays an important role in protecting its maritime territory, securing maritime resources needed for China’s sustainable development, and promoting safety of the international sea lanes. Recently, the navy has deployed war ships equipped with high-tech devices to continue these efforts. The PLA introduced three Luyang class destroyers in 2013, and the latest model of a Luyang-III class ship will be added in 2014. Luyang-III is the first destroyer that has been equipped with multipurpose vertical-launching system with Anti-Ship Cruise Missiles (ASCMs), Land Attack Cruise Missiles (LACMs), Surface to Air Missiles (SAMs), and Anti-Submarine Rockets (ASRs). Also, more than six Jiangkai class frigates are being built. These war ships increase the navy’s capacity to operate on offshore areas hundreds miles away from the coast.

On September 25, 2012, the first Chinese aircraft carrier “Liaoning” was commissioned. This symbolized China’s first step toward a strong military power, and its successful commission was quite meaningful, as it reinforced the level of modernization of China’s military had obtained in improving its defense technology and national power. The aircraft carrier was deployed in Qingdao, where the North Sea Fleet’s base is located. The naval base, reconstructed
for an aircraft carrier in 2008, can now accommodate a ship over 100,000 tons. In 2012, development of 12 J-15 carrier-borne aircrafts was completed, and eight more were produced in 2013. Liaoning is known to be able to ship 26 fighter jets and 24 helicopters. China is now equipping its other aircraft carriers with this indigenous technology. One or two more will be commissioned by 2020. One may be even be a nuclear-powered carrier.

To fulfill this strategic conception of offense and defense at the same time), the PLA Air Force has implemented patrol and early warning sensors, air strike capabilities, anti-aircraft capabilities, missile defense maneuvers, and strategic projections to reinforce its operational capability. Recently, the Chinese air force added “aerospace unity” to its strategic plan, implying that it should lead the PLA’s space technology (Lanzit 2007, 452).

In the future informationized era, space will be a new battlefield and in accordance with this theory, the Chinese air force is striving to win the space superiority. China’s air force has been testing the J-20 Fifth Generation Stealth Fighter Jet since January 2010 and the J-31 since October 2012. Both are next-generation fighter jets. The air force has worked on developing its Unmanned Aerial Vehicle (UAV) model Lijian, which first appeared in May 2013. Lijian’s size is smaller than U.S. Navy’s X-47B Demonstrator, though the Chinese UAV’s capacity to load armament is thought to be much larger than the U.S. model.

Finally, China’s long term military goal is to modernize its nuclear energy capacity. The nuclear modernization program of the 2nd Artillery focuses on reinforcing retaliation power, while securing survivability from the enemy’s first strike. Since fixed-gyro missiles are vulnerable to enemy attack, road-mobile missiles are replacing the fixed ones. In this regard, medium-range ballistic missile DF-3As powered by liquid fuel are now being replaced by DF-21s which are
mobile on roads and powered by solid fuel. Similarly, conventional Intercontinental Ballistic Missile (ICBM) DF-5As are being replaced by new DF-31s or DF-31A missiles with longer range. The PLA Navy’s submarine forces maintain survivable nuclear retaliation power as the most reliable in deterrence capabilities. Its underwater deterrence mechanisms consists of Jin class Ballistic Missile Nuclear Submarines (SSBNs) and new type of Submarine Launched Ballistic Missile (SLBM) known as JL-2. Jin class submarines can ship twelve JL-2 missiles. Presently, the PLA Navy has two Jin class submarines, and is planning to produce three more in near future.

In summary, China’s military modernization aims at winning wars conducted under the informationized era. As its military capabilities grow, China is now able to expand its strategic frontiers to offshore and even space to protect its core interests.

Implications for Regional Security

Continuing military buildup by China could have a negative impact on regional security for several reasons. First, the PLA’s growing military capabilities could cause changes in the regional balance of force, and undermine the U.S. role in Asian relations. Up until now, East Asian security has been underpinned by U.S. preponderance in the region since the end of the Cold War. In the early part of the twenty-first century, the United States was perceived by Chinese leaders as being unquestionably the dominant power in the world in terms of economy, science and technology, military power and soft power (Zhang 2005). As long as decision makers in Beijing saw themselves as weak in comparison to the United States, improving bilateral relations with the United States to promote regional stability seemed to be a wiser strategy than any attempt to assert its own power in the
region. As a result, a favorable environment of economic development was created.

However, the global financial crisis of 2008 and more than ten years of post-9/11 war on terrorism caused this situation to drastically change. The United States has faced economic hardships and budgeting problems, which has caused the once considered formidable foe to become a weary giant. China is boldly raising its voice on core interests, especially related to the island disputes that once again erupted in 2009. China has acted resolutely, and at times aggressively, on pushing its claims to these islands in the South China Sea and East China Sea. There are growing concerns that China will become even more assertive as Chinese military forces become more advanced. With the successful completion of the first step of the military modernization program in 2010, and promising prospects for the completion of the next step by 2020, China seems to be much more confident in pursuing its core interests more aggressively. If the U.S. military fails to remain stronger than the PLA, the U.S. role as the “stabilizer” of the region will be called into question. Lacking dominant military power, the integrity of U.S. alliances and security partnerships could weaken, which would threaten regional stability (Department of Defense 2010).

Next, Beijing will likely demand regional states to adhere to its core interests, and thereby intensify the possibility of military conflict in the region. According to scholars, core interests are different from major interests or peripheral interests, in that the former should be secured by any means necessary, even if it results in warfare. China defined its core interests in terms of national sovereignty, security and development capabilities. The scope of these interests has been steadily increasing. For example, The Chinese government was initially concerned with Taiwan; however, Xiniang and Tibet were considered areas of concern with consideration to sovereignty in 2004, and maritime territorial disputes were added to the list of concerns in 2009.
The 18th Party Congress Work Report in November 2012 hinted at a more assertive Chinese foreign policy on these self-serving initiatives. China pledged to “never yield to outside pressure” when it comes to the sovereignty issues. This was a phrase that was not in the 2007 work report (Hu 2012). The Party Central Committee in early 2013 gave details about implementing China's foreign policy, calling for the need to follow new trends in strategic planning. It is best, the Committee noted to hope for the best, while preparing for the worst. In the Committee meeting, Xi Jinping stressed that: “While firmly committed to peaceful development, we definitely must not forsake our legitimate interests or compromise our core national interests. No country should expect us to swallow the bitter fruit that undermines our sovereignty, security and development interests” (Yang 2013).

Reflecting these trends, China’s attitude toward the maritime territorial issues became resolute, and regional states were, and continue to be concerned about the possibility of military conflict. The PLA Navy expanded its area of operation, with the navy deploying troops between the Miyako waterway and Okinawa in the Western Pacific Ocean in 2010. Moreover, in November 2013, China declared its Air Defense Identification Zone (ADIZ), which overlapped with those ADIZ in Japan and South Korea. Beijing’s ADIZ covers contentious areas in the East China Sea such as the Senkaku Islands under Japan’s control, and Ieodo, a rock submerged below the sea in the overlapping exclusive economic zone of South Korea and China. As China’s declaration of the ADIZ came amidst the escalating territorial dispute with Japan, concerns over a possible armed clash between the two Asian powers have become a concern. Both militaries have been deploying fighter jets to establish a presence in the area; however, a miscalculation could potentially spark a low-intensity confrontation.

The U.S. pivot policy of returning to Asia and its operational concept of Air-Sea Battle to overcome the PLA’s A2/AD capabilities...
could also cause a confrontation between these two strong military powers (Krepinevich 2010). U.S. efforts to expand its military posture in the region, which includes strengthening security ties with allies and partners through re-negotiated bilateral agreements, are viewed by Beijing as a direct initiative to emerge as an influential power in the region. Of course, considering the high level of economic interdependency in the region, the possibility of military conflict between the U.S. and China seems quite low. The potentiality of an unintentional clash does remain; however, there could be a repeat of the EP-3 Incident off Hainan Island in 2001.

There is also a growing possibility of an arms race among regional states in the future. The rise of a militaristic China has caused the U.S. to return to Asia with strategic rebalancing, which calls for the allocation of more military assets to the Asia–Pacific region. The U.S. military has transferred EP-3, P-3, and marine troops from the Central Command (CENTCOM) to the Pacific Command (PACOM) zones, and will introduce new weapon systems such as Joint High Speed Vessel and Littoral Combat Ship to the Asian region (Fargo 2012). Defense Secretary Leon Panetta mentioned in 2012, that 60 percent of the U.S. Navy’s assets would be deployed in the Asia–Pacific region by 2020. Japan has also taken some strong and fundamental measures to counter a rising China. As the territorial disputes concerning the Senkaku Islands continues to build, Tokyo has made it clear that Japan will enhance its own military capabilities in preparation of combat should the need arise. Japan’s new Defense Guidelines allow for the creation of marine forces and the right to attack enemy bases. Japan also has enhanced its missile defense capability by deploying two more Aegis ships equipped with SM-3 Block 2As. It will co-produce F-35 stealth fighter engine with the United States.

Finally, China will take a more aggressive stance against issues...
on the Korean peninsula, such as North Korea’s nuclear program, the Korean reunification, and (South) Korea’s alliance with the United States. Also, China will take a critical role in case of North Korea’s military provocation, and play a tantamount role in what will happen to North Korea should the North Korean regime fall suddenly. China’s assertiveness, however, seems to create discomfort on the Korean peninsula. Northeast Asia, especially around the Korean peninsula, have retained war-memory from the Cold War, this is the Korean War which began by the military attack of North Korea against South Korea and expanded by the involvement of the U.S. and China.

Despite active economic trade and strong interdependency between Korea and China, the Cheonan incident and the Yeonpyeong bombardment in 2010 showcased China’s willingness to take North Korea’s side in terms of security matters. Even concerning the issue of North Korea’s nuclear program and its ongoing nuclear tests, China has been reluctant to criticize Pyongyang, and has been hesitant to implement UN sanctions. China clearly fears a sudden collapse of the fragile North Korean regime.

As long as China remains as a patron to North Korean regime and passive to sanction North Korea, it will be more difficult to reconcile several thorny issues on the Korean peninsula. If China continues to be reluctant to push for change in in the hard line policies of Kim’s regime, North Korea will continue to develop its nuclear program, threatening regional stability. To overcome domestic and economic hardships and political turmoil, it appears as though the North Korean state will not hesitate to provoke neighboring states. Moreover, China’s position as an ally of North Korea will hinder South Korea’s effort for reunification, should North Korea become aggressive, because Beijing will mobilize its military, to protect North Korea from attack. It remains clear that a bolder, more confident China will push to maintain the
current unstable status quo on the Korean peninsula; encouraging the
dangerous choices of Pyongyang regarding nuclear program and mili-
tary provocation.

Korea’s Defense Policy

How to deal with China’s rising military capabilities is one of the
most important tasks for South Korea. While Korea recognizes the
main threat comes from North Korea, China’s military could also be a
potential threat. It is not in South Korea’s interests; however, to make
an enemy out of China, or position China as a suspicious neighbor in
the future. For that reason, Korea has tried to develop friendly military
relations by promoting mutual understanding with the PLA, while
maintaining a strong alliance with the United States. To state this
simply, there are three pillars in Korea’s defense policy that attempt to
delicately handle the issues in China.

The first pillar of Korea’s defense policy is the U.S. alliance. Created in 1953, the Republic of Korea (ROK)–U.S. alliance has been
the main bulwark against North Korea’s military attack against South
Korea. As a result, there has been peace and stability on the Korean
peninsula for more than 60 years. This alliance is the longest of its
kind in world history. It has contributed not only to the security of
Korea, but also to the regional stability in Northeast Asia. Korea and the
United States continue to hold the Security Consultant Meeting (SCM)
and the Military Committee Meeting (MCM) annually, between top
defense leaders. Currently, there are many issues between the two
countries, such as transferring command authority of Combined Forces
Command (CFC) to the ROK military, Korea’s participation in missile
defense, preparation for North Korean nuclear threat, and the strategic
flexibility of U.S. Forces in Korea (USFK). Nevertheless, reflecting a
changing security environment, they must agree to develop their relations into the 21st century strategic alliance, a role that will expand.

As mentioned above, the rise of China with enhanced military capabilities poses new obstacles. Seoul hopes to minimize negative outside influence through maintaining close ties with Washington, not just to deter Pyongyang’s provocations and denuclearize the North, but also to achieve reunification in the end. Even after reunification, however, most Korean people feel that the ROK–U.S. alliance should continue, and that the U.S. troops—though they should be curtailed—should remain stationed on the peninsula. However, if China implements a peaceful and defensive policy, as its leaders frequently mention, settles the disputes on maritime territories peacefully, and thereby contributes to maintaining regional peace and stability in the future, there would be no reason for large U.S. forces to remain present in the region. However, as China’s policies continue to raise doubts among regional states regarding its increased military actions and assertiveness on regional security issues and disregards international norms and rules, regional states, including Korea will continue to vie for policies that ensure that the U.S. forces remain in East Asia.

The second pillar is to strengthen military relations with China’s PLA. Since the normalization of state relations in 1992, the ROK’s Ministry of Defense has tried to develop military relations with the PLA. Despite rapid developments in political, economic, and social areas, progress in garnering military relations has been slow. Current ROK–Chinese military relations remain at the level of “exchanges,” failing to develop the level of cooperation that is desired. The Cheonan incident and the Yeonpyeong bombardment in 2010 showed the fragility of their relationship. China later criticized these ROK–U.S. combined naval exercises in the West Sea. This proved the clear limits of military relations between ROK and China.

Despite such constraints, however, Korea has made an effort to
improve military relations with China. The Korean Defense Minister Kim Kwan-Jin’s visit to Beijing in July 2012 showed some resilience in ROK–China relations; during which time, the two military leaders agreed to hold annual “Korea–China Defense Strategy Dialogues at the vice-ministerial level. In June of 2013, Korea’s Chairman of Joint Chief of Staff Jung Seung-Jo visited China, and met with his Chinese counterpart Fang Fenghui. The two officials agreed to promote further military strategic cooperation. During the meeting, they agreed on establishing hotline, attending each other’s anti-terrorism or firing demonstration drills, regularizing general level talks between Joint Chiefs of Staff and General Staff Departments which halted in 2001, cooperation of dispatched units in the Gulf of Aden and other areas, and cooperation of UN Peacekeeping. Korea and China held their 13th Working-Level Defense Meeting in January of 2014 to arrange bilateral consultations, and exchange programs. The two sides agreed to have Chinese Defense Minister Chang Wanchuan visit Korea later in same year to discuss security matters with the Korean Defense Minister, Kim Kwan-Jin. Through promoting military cooperation, Korea hopes to improve mutual understanding with China, and build trust between the two militaries. This may contribute to resolving the thorny issues on the peninsula.

The third pillar of Korea’s defense policy is the modernization of ROK forces. While the ROK military has endeavored to develop cooperative military relations, it also recognizes ongoing changes in the balance of forces on and around the peninsula, as the PLA increases its capability of projecting power. Korea’s military modernization effort focuses on countering the North’s military threat up until now. As China’s military capabilities grow, however, with increasing activism of Japan, Korea has begun to turn their eyes on military reform, with the aim of protecting its critical interests in case of war, or the collapse of North Korea, or perhaps even disputes concerning Ieodo and Dokdo.
The National Defense Reform Basic Plan came to be in December of 2005. It set out to fortify Korea’s defensive capabilities and posture. The plan is anchored in the idea that military tension will subside on the Korean peninsula, while insecurity and uncertainty in Northeast Asia will increase due to the escalating arms race among the nations in the region (Ministry of National Defense 2012). Considering changes of strategic environment, such as the Cheonan incident, and the transfer of command authority, this reform plan was later revised to become the “National Defense Reform Basic Plan of 2012–2030.” The new plan aims to transform Korea’s national defense by building a small, but strong advanced military force, capable of meeting the challenges posed by the changing strategic environment.

The force’s improvement will be implemented in four areas by 2017. First, surveillance and reconnaissance assets will obtain the capacity to detect early warnings, to conduct real time surveillance on and around the Korean peninsula. Second, the command, control, and communication systems will aim to establish greater collaboration, and implement effective operation of a network-centric environment. Third, long-range precision strikes and 3-D air-sea-land rapid mobility will be improved, and war capabilities that will reinforce protection will be secured as well. Finally, outdated and obsolete combat weaponry will be upgraded, and replaced by cutting-edge weapon systems (Ministry of National Defense 2011).

**Indian–Korean Strategic Cooperation**

In addition to the above mentioned domestic pillars of the Korean defense policy, Korea is also trying to strengthen its military relations with other like-minded Asian countries, who are becoming more concerned with China’s growing military prowess in the region. India
is one such country that shares Korea’s concerns about the changing balance of force in the region. This commonality of strategic interest has brought Korea and India closer together for some time now (Singh 2008). After signing a strategic partnership in 2010, both countries began to boost their cooperation in strategic and defense areas, including several defense related agreements through high profile visits of military and defense leaders. I suggest four areas of improvement to strengthen cooperation between these two countries.

First, Korea and India should look to enhance their cooperation in securing sea lanes of communication from the Indian Ocean through Southeast Asia to East Asia. Freedom to navigate within the Indo–Pacific maritime area is directly related to the strategic interests of both countries as well as others. If there is any disruption for the control of the global commons in this area by say, a trouble making country, or by even a non-state actor, the potential to create huge political, economic, and military turmoil exists. This could bring about a negative impact on global economic activity. If agreed upon, however, it could be a good starting point for Korea–India security relations. They could cooperate to protect Sea Lanes of Communication (SLOCs), conduct anti-piracy operations, and support international efforts for freedom of navigation, thus contributing to regional peace and stability. This will lay the foundation for deepening their relations in more strategic terms. Such bilateral cooperation, if successfully managed, could provide an opportunity to further develop a more expansive multilateral maritime security mechanism that the United States, Australia, Japan and even China may join. Currently there is little cooperation between the South Korean and Indian navies. Cooperation needs to be increased. Second, both countries should be concerned about each other’s security issues. It is true that Korea cannot support, or take a role in solving the Sino–Indian border conflict or issues relating to India’s oil exploration in South China Sea.
Similarly, India has limits in how much it can participate in resolving issues on the Korean Peninsula, such as North Korea’s military provocations. Nevertheless, they should be more proactive in other’s security concerns and try to link these with their own security interests. Not all issues can necessarily be linked; however, they could take a more transparent stance on some critical issues based on global standards. In one direction, India could support the Korean government on North Korea’s nuclear tests by criticizing its policies, and participating in international sanctions outlined in the UN Security Council resolutions. After all, North Korea has been providing missile technology to Pakistan in exchange for its uranium enrichment program. On the other hand, Korea could also provide more diplomatic support to the Indian government on issues of terrorism initiated by Islamabad and Pakistan’s nuclear deal with North Korea. Terrorism and nuclear proliferation is not only strictly prohibited by international norms and rules, it could also directly threaten Korean security.

Third, there are additional ways to expand the scope of military cooperation between these two countries. Korea and India have upgraded their relations with frequent visits of high-level officials, and they now have strategic dialogues on a regular basis. Actual military cooperation, however, remains low. Now is the time to expedite more concrete measures to achieve tangible outcomes. To do so, military cooperation should include participation in mutual military exercises as observers, creating joint naval exercises, establishing joint counter-piracy operations, exchanging of military information, and so on. Fortunately, there have been several occasions for the two countries to promote military co-operation through high-ranking official visits, such as India’s Defense Minister A. K. Antony’s visit to Korea in September of 2010 and Manmohan Singh’s visit to Seoul in 2012. However, an actual action plan has yet to be established. There is urgent need to draw up a comprehensive concrete action plan to
strengthen cooperation between militaries of these two countries, to meet the challenges of new emerging order in East Asia.

Finally, given China’s fast paced military modernization, India and Korea are under pressure to modernize their forces. Given the different stages of modernization of both militaries, both can complement each other in their efforts to modernize their respective defense forces. Defense industry cooperation is a neglected area of cooperation, especially in the fields of state-of-the-art arms sales and purchase, technology transfers, joint development of military equipment, and space development. Their structures of weapon systems and technologies seem to be mutually complementary, and reciprocal in nature. For example, India has the fifth largest naval fleet in the world, but the Indian Navy continues to have difficulty in procuring modern equipment. Both domestically produced weapon systems and foreign purchases have been delayed, raising questions regarding its future role in the Indian Ocean. To overcome current hardships, the Indian government is taking bold steps by increasing its defense budget in fiscal year 2013–2014 to $37.4 billion from $35.5 billion. However, as the recent accidents in the Indian Navy have indicated, there is an urgent need to overhaul the quickly deteriorating defense equipment and other defense services. So far, Moscow remains as India’s main supplier of defense equipment. However, recently New Delhi has also sought procurements from Europe and the United States (IISS 2012). In this regard, there is room for the ROK to sell some of its military products to India; shipbuilding is one such area where the ROK enjoys a competitive edge. For instance, Korea’s Hyundai Heavy Industries has jointly developed the KDX-III Aegis destroyer with the U.S.-based Lockheed Martin. As India hopes to introduce these high-tech Aegis ships designed to trace incoming missiles and shoot them down, it could be a primary target customer for this joint venture (Panda 2011).

India may also have an interest in the world’s first-ever super-
sonic T-50 trainer jets, and unmanned aerial vehicles produced by Korea’s aerospace industries. Although the Indian military market is already crowded with European models, there is room for the ROK to penetrate the market, because its products are cost effective. Defense Research and Development (R&D) cooperation between Korea and India is another area yet to be explored. The countries have already signed an MoU on the Sharing of Military Expertise and Technology in 2010. They could initiate joint development of a jet fighter. India’s Defense Minister A. K. Antony mentioned after the signing the 2010 MOU, that the defense industry relationship should be more than a buyer-seller relationship, and should expand to cover the transfer of technology, joint production, and joint research and development (R&D).

Korea can also benefit from India’s advanced capability in space programs. Keeping in mind China’s growing prowess in space, India could be a very useful partner in helping Korea to develop its own space defense mechanism. Defense satellite systems can provide information, facilitate efficient command and control, and share necessary data on weather and positioning. Without space capabilities, it becomes increasingly impossible to produce an efficient modern military operation on twenty-first century battlefields. Korea has tried to launch various kinds of satellites into orbit, but has experienced failure several times due to the lack of proper launching technology. If India can assist in the launch of Korean satellites, and share other related technologies, this could be another case of security cooperation that not only serves as a critical means of helping Korea’s space exploration program, but also an opportunity to enhance Korea–India security ties.
Conclusion

Evaluation of China’s military modernization should focus not just on currently PLA capabilities, but rather, on the future capabilities that it projects to achieve. As shown in the China’s Defense White Papers, the PLA distinguishes the three steps of modernization. The final step will end during the mid-twenty-first century with the capabilities of fighting using informationized warfare. The PLA seems to have already successfully achieved the first step, having provided a solid foundation in 2010 with the establishment of anti-access capabilities. Now, all eyes should be turned to the second step, which will have made major progress by 2020. If China succeeds in catching up with the world’s second strongest tier of regional powers, such as Japan or Russia, narrowing the gap with the United States, the PLA will be well positioned to act as a leading military power in this region, and pose concern to neighboring states.

Even though China insists it pursues defensive and peaceful foreign policy, history shows that it has frequently used military force to achieve political objectives and protect critical interests during the Cold War era. In the past, Beijing has mobilized forces to make an example out of neighboring countries. Considering China’s growing military capabilities and military strategy, the potential Chinese threat to neighboring states is real (Cliff 2007). In this regard, the changing regional balance of forces provoked by the PLA’s growing capabilities could cause regional instability, intensify maritime territorial disputes among concerned parties, competition for military dominance for securing SLOCs and freedom of navigation, and interference in the Korean peninsula.

It is time to re-establish a healthy balance of power and to check the negative impact of the changes in the balance of forces in East Asia. States should recognize the seriousness of the current
development of hard power-oriented competition and assertiveness, and take measures to promote bilateral and multilateral security agreements. They should stand in one another’s shoes, and restrain themselves from instigating or raising tensions around thorny divisive issues. On one hand, China should make its military intention and capabilities more transparent, and return to its past policy that postponed sovereignty debates, in favor of the perusal of common development regarding maritime territorial issues. On the other hand, the U.S. and its allies should promote multilateral security cooperation with China, and dissuade anti-China sentiments. Amidst such Chinese and U.S. considerations, strategic and tactical defense cooperation between Korea and India makes perfect sense.

References


Changing Balance of Forces in East Asia and India–Korea Defense Cooperation 249
www.china.org.cn.


Perhaps the one of the most noteworthy happenings at the start of the 21st century has been the rapid rise of China. China experienced a “century of humiliation,” after losing to the British in 1842 during the first Opium War, and later suffered various invasions by imperialist powers from the West and from Japan. However, following Deng Xiaoping’s reform policies for opening up the country in 1978, the country achieved rapid economic growth through the construction of a socialist market economy, and soon emerged as the regional superpower due to its growing level of military might and national power. China has now become the most watched country on in the world, and has continually expanded its influence as a major player in international politics and economics, to the extent that it is now part of the “G2,” along with the United States (Ferguson and Schularick 2007). The scale of China’s rapid rise can be clearly seen in the country’s increasing military strength. The Chinese Ministry of Defense’s 2010 Defense White Paper, which was released in March 2011, officially states that China aims to increase its military expenditures to protect the country’s maritime interests. The rate of increase in China’s defense expenditures after 2000 is twice the amount of increase in the country’s overall GDP. China’s defense expenditures in 2010 totaled around
$120 billion, which was one sixth of U.S. defense spending ($756 billion) the same year. However, by 2015 the country is expected to double its defense spending to $240 billion, a figure that will be almost half of expected U.S. levels. This increase in defense spending was further reflected by the successful sea trial of China's first aircraft carrier, the “Liaoning,” in August of 2011. Unfortunately, there is a high possibility that China's possession of an aircraft carrier will bring imbalance in military expenditures in the Asia region, and destabilize the area's security situation. Most security experts consider China's new aircraft carrier to be a symbol of the country's will and capability to use military power to protect its interests. Accordingly, they are expressing concern over China's role in the deepening maritime disputes and other conflicts in the region (Chang Hyung Lee 2011).

In 2012, a Japanese defense research institute published a report entitled “2011 Report on Chinese Security Guarantees.” This report predicts that increased Chinese involvement in the western Pacific Ocean to protect its maritime interests will raise military tensions in the region. It appears that China's maritime expansion policy will continue because it has already officially announced that the East China and South China Seas are part of its core interests, and that it will strengthen its military power to secure stable energy supply routes and maritime advancement. The United States is accelerating its return to Asia in order to deter China's rapid maritime expansion. American leaders are expressing considerable concern over China's Anti-Access/Area Denial (A2/AD) strategy (Chang-Hee Park 2011). During an ASEAN Regional Forum (ARF) in July of 2011, American Secretary of State Hillary Clinton said that the resolution of the territorial disputes in the South China Sea was a priority of American diplomacy, and in November of 2011, at an East Asia Summit (EAS) meeting, President Obama made clear that the United States would intervene in the event of a maritime clash in the South China Sea. The recently released U.S.
defense strategy calls for a cut in the defense budget by US$2.6 billion, and a massive reduction in troops in the region. Nevertheless, it calls for maintaining or increasing military strength in Asia. In other words, in the case of aggression to the United States’ regional presence and ability to maneuver about the region freely, the strategy calls for increasing its armaments in East Asia, a region that is still of interest. As a result, the focus of American military power is on reacting to the traditional threat of a competitor state, and considering that this latent enemy state in East Asia is China (Chang-Kwon Park 2011).

Given the rebalancing strategy of the United States, and the rapid rise of China, the security framework in the region is currently undergoing new changes. The rapid rise of China’s military expenditures is a unique phenomenon when considering the global trend of falling military spending. Following the start of its reform and opening policy and the “Four Modernizations” in 1978, and with the start of defense modernization policies, China has been actively modernizing its military power through increases in military spending since the 1990s.

This rapid rise in military spending has caused the spread of what is called the “Chinese Threat.” Without overestimating China’s military power, the reality is that the country’s rise will ultimately be a major variable in changes in the regional security framework (Kim 2002). The rise in China’s military spending has drastically increased interest in the country by the international community, and has raised the question of what structural changes in the existing international order will occur as China refuses to accept U.S. dominance, and pursues a new order based on Chinese leadership?

Questions regarding China’s rapid rise began in the late 1990s (Bernstein and Ross 1997) as Western scholars talked about the so-called “Chinese menace,” interfering with the “clash of titans” (Brzezinski and Mearsheimer 2005). However, the confrontation warned against by these scholars that could bring structural changes
to world order is unclear, even as China’s rise is becoming a reality. This may be because China has officially adhered to a “path of peaceful development,” accepting and maintaining the current international order, and pursuing ongoing economic development (Do Hyung Ha 2012, 120–121). China’s leadership believes that continued increases in military spending and the modernization of China’s military power is needed to maintain China’s status as a superpower and to protect its national interests. The most significant change that could result from China’s increasing military spending is a shift in the structure of the regional security framework. Up until now, the United States has pursued its economic and security interests in the region by maintaining a stable, visible leadership role through the stationing of military units, bilateral alliances, and military cooperation. There have been a diverse range of discussions about the potential for power transition between a previously dominant United States, and a currently rising China. After the Obama administration announced a “pivot to Asia” and as the country began strengthening its checks on China, China began to feel considerable pressure from this change in U.S. security strategy. This was exemplified by the active U.S. intervention in the South China Sea and Senkaku (Diaoyu) islands dispute, and China’s clear opposition to this interference. China showed its resolute intention to protect its core interests of sovereignty and territorial preservation (Sung-Han Kim 2011).

As this shows, there is an increasing possibility that confrontation between the United States and China might occur. As a reflection of this, if the relative fall in status of the world’s preeminent superpower, the United States, and the rapid rise of the world’s newest rising major power, China continues, there will be structural changes to the unipolar U.S.-centered international system. In other words, China will work to push away American power as far from its borders as possible, restrict the sphere of U.S. military power, and minimize
the weight of American influence in international diplomacy. In response to this, the United States will mobilize China’s neighbors to oppose Chinese dominance. Moreover, bilateral conflict appears as though it might increase because the two countries are placing emphasis on ideological differences; the concept of deterrence and preemption are destabilizing their bilateral interaction. There is the chance that one side could misread the intent of the other, because the United States has placed more focus on building a dominating military power, but China has centered its efforts on spreading its influence abroad (Kissinger 2011). From this perspective, the changes in foreign security strategy of the new Xi Jinping administration will be a key variable in how changes in the regional security framework will occur. If the Xi leadership continues, China’s rise while accepting the U.S.-led unipolar system, changes will continue to occur without outright instances of bilateral conflict. However, if the new leadership aims to make China the new superpower, drastic changes in the regional security framework will increase the likelihood of conflict between the United States and China. Ultimately, bilateral confrontation will most likely increase, as China’s rapid increase in military spending intensifies military and security conflict between it and the U.S.–Japan military alliance, the U.S.–South Korea military alliance, and U.S.–India strategic partnership.

**China’s Arms Buildup**

**Current State of China’s Arms Buildup**

Recently, China has used its success in rapid economic development to increase its military power. China has aimed to achieve a number of goals to further its military power. These goals include the strengthening
of approach in denial capabilities, improvements in precision targeting capabilities, the strengthening of nuclear and missile deterrent capabilities, and an expansion in long-range airborne operation capabilities. The military modernization strategy following China’s rise in military power is creating a fundamental change in the pre-existing East Asia security order, and has secured China’s status as a regional superpower befitting the so-called “G2 era” (Kim 2006).

China has already started expressing concerns about the rise in security threats. The Chinese Defense White Paper, which has been published biennially since 1998, shows that these fears are indeed present. These reports are written in collaboration with the PLA and other related security institutions. Thus it is an important, comprehensive report on official attitudes toward the security environment, along with a list of major threats. In fact, the All of the Chinese Ministry of Defense White Papers published in the 2000s have expressed discontent with the unipolar international system centered on the United States, along with considerable concern over the repositioning of U.S. Troops in the East Asia region (Shen 2011). In White Papers published after the mid-2000s, China has placed more emphasis on non-traditional security threats (terrorism, drugs, nationalism, and pirates), material transport, and energy resource protection than in past white papers. This shift in emphasis is due to the fact that the securing of stable energy resources and supply lines has become a central factor in national economic development, due to the rapid rise in energy consumption following China’s entrance into the world economy.

With its understanding of security at home and abroad, China continues to be sensitive to the U.S. military’s illegal intrusion into its Exclusive Economic Zones (EEZs) and airspace towards Southeast Asian countries, due to issues surrounding the South China and East China Seas. China will also remain against maritime joint military exercises between the United States and Japan. Reflecting on this,
China’s 2010 Defense White Paper listed the country’s defense goals thusly: 1) protection of national sovereignty, security and national development; 2) maintaining social harmony and stability; 3) Accelerating the rate of defense and military power modernization; and 4) maintaining world peace and stability. The report also includes the ultimate goals of defense: to deter the declaration of Taiwan’s independence, continuing to operate in the Strait of Taiwan (air and naval supremacy), to strengthen rapid deterrence ability for amphibious landings, to protect sea routes for coastal cities, to conduct long range operations, to transport and supply for various weapons and goods, and to strengthen anti-air, and anti-submarine defense capabilities.

China has started advancing a proactive defense strategy divided into six areas. These areas include: 1) victory in a local war; 2) deterrence of military clashes and war; 3) improvements in army, navy, and air force joint operations and various battle capabilities; 4) Chinese-style military reform (weapon systems, human resources, management systems); 5) continued development of “people war” tactics; and 6) establishment of a security environment conducive to national economic development. The army is aiming to improve its rapid response capabilities, while the navy aims to increase submarine power and construct aircraft carrier strike groups, to allow for long range operations. The air force is working to strengthen its long range operations ability, and improve its airborne refueling and early warning capabilities. The 2nd Artillery is continually improving its nuclear weapons to strengthen close range anti-aircraft capabilities, and China’s ability to respond to a U.S. nuclear weapon attack. Recently, the air force has been working along with the 2nd Artillery to construct a “space army” (Han 2008, 143–148). The PLA plans to do the following by 2015: 1) secure maritime denial capabilities in coastal waters; 2) establish air superiority in areas close to Chinese borders; 3) increase long-range attack capabilities to counter threats from U.S. operational bases in
the area; 4) improve beyond U.S. capabilities in cyber warfare; and 5) improve capabilities to threaten the mainland United States with nuclear weapons (Pollack 2001). It appears as though the U.S. maritime hegemony will face considerable challenges in the future, since China’s navy is advancing the twin goals of rapid reaction to incidents in Taiwan, and the establishing a regional navy. Moreover, the Chinese Navy appears to have already prepared defense exercises and strategies (including joint operations with its allies) to be ready for U.S. intervention in incidents in the Strait of Taiwan (Kamphausen and Scobell 2009).

China has long maintained a high degree of military power in order to protect what it believes to be national interests. China has rarely hesitated to use military force when it feels these national interests are under threat. China’s defense policy focuses on military modernization under the notion that quality is better than quantity, as this strategy was selected as a major goal as part of the Four Modernizations announced at the 11th General Assembly in 1978. Since then, the country sought out new concepts and directions in its military strategy in concert with this military modernization policy. Recently, China’s defense strategy and operational manuals are undergoing a shift from a “people’s war” under modern conditions, to a local war under hi-tech conditions (Shu 1996, 46–51).

As part of its primary goals to create a better quality force, China has reduced its troops by more than 2.5 million since 1985. China’s military modernization project has included the quantitative reduction in ground, naval, air force and artillery forces, along with qualitative improvements in military strength. With China’s economic growth remaining in the background, the country’s financial spending on the military over the past several years has increased drastically; an average of about eighteen percent a year. Thus, military spending figures officially released by the Chinese government showed that
defense spending increased from 297.9 billion yuan in 2006, to 483 billion yuan in 2009. Some military experts are predicting that China’s total military spending will reach around 200 or 300 billion USD by 2025. As these numbers show, China is actively moving to increase its military spending to modernize its military power, and the Chinese military is focusing its modernization on improving its asymmetric military capabilities, in order to counter the absolute supremacy of the U.S. military (Byung-Kwang Park 2011).

China has continued to work to increase its military power to secure A2/AD capabilities to deter American intervention in its core interests, such as the Taiwan issue, and territorial disputes in the East China and South China Seas. In addition to discussions concerning the economic decline, falling influence and a reduction in the U.S.-led unipolar system following the 2008 global financial crisis, China has been strengthening its position on the Korean Peninsula and East China and South China Seas (Glaser and Morris 2009). Many observers now argue that the Chinese government’s increase in military spending will allow the country to change the balance of power in the East Asia region (Sang-shik Ha 2011). Of course, some security experts believe that China’s military weapons systems are out of date, and that considerable time will be needed for the country to develop its battle strength into one commensurable with a major regional or major power (Dong-seon Lee 2011). Moreover, the lack of the PLA’s war experience and joint operations capabilities has played a negative role in shaping outside evaluations of China’s military power. Recently, the Chinese Military has focused its efforts of modernizing and updating its equipment, and is investing a considerable amount of energy in improving the capabilities of the navy, air force, and artillery (Wang 2009).
Trends in China’s Arms Buildup

Since the early 2000s, the Chinese Military has focused its defense spending efforts on modernizing its strategic weapons stockpile (nuclear/missiles), improving its rapid-response capabilities, increasing its information operation/information warfare (IO/IW) capabilities, upgrading its command-control-communications-computers (C4I) capabilities, and advancing its military support capabilities. The mechanization and automation of the military throughout the 1990s has improved the war fighting capabilities of the force so the country is now focusing its efforts on further improving the intelligence capabilities of the military for a new era of warfare. The Chinese Military is likely to spend the next 10 to 15 years improving its air force and naval capabilities by acquiring weapons and technology from abroad, and increasing its intercontinental ballistic missile (ICBM) capabilities (Byung-Kwang Park 2006), amid advancing the complex management of various high-tech military technologies. The weapon systems of the future Chinese military will possess includes the newest Russian-built Su-30/35 fighters and the stealth-capable J21/31 fighters, the multi-purpose J-10/J-8IIC bomber, the Y-8 Early Warning Aircraft, large scale aircraft carrier strike forces, the Russian Sovremenny destroyer, the Kilo-Song class submarine, the next generation nuclear attack submarines, and high tech weapons systems like the SD-10 air-to-air missiles, the SS-N-22 anti-ship cruise missiles, and the HQ-9/FT-2000 ground-to-air missiles. The weapon systems in need of cutting edge military technology include anti-satellite (ASAT) weapons, radar satellites, and Synthetic Aperture Radar (SAR) aircrafts. The Chinese Military is focusing considerable effort on improving joint operation and rapid response capabilities.

The military’s active investment into cutting edge weapons and its focus on improving intelligence and mechanization capabilities
involves modernization of the latest intelligence technology and industrial technology. In accordance with its “Guidelines for a New Era in National Military Power,” China has defined modern wars as “local wars on conditions of intelligence,” and has focused on cultivating a military force capable of fighting such conflicts. The country has already been making great strides in its MOOTW (military operation other than war) capabilities, internet-electronic comprehensive war and a host of other asymmetric situations (Byung-Kwang Park 2011).

One of the most fundamental ways to evaluate a country’s military power is to measure it quantitatively. Measuring military power quantitatively is done by measuring its troop strength, number of weapons, amount of equipment and amount of defense spending, all of which can be easily confirmed through a variety of sources. However, this measurement only provides analysis of a country’s military power on a macroscopic scale, and fails to measure the efficiency and quality of that military power. Nevertheless, the qualitative development of a country’s military power is still based on its quantitative status, making the quantitative aspect an important point to consider when measuring military power.

China’s continuing military modernization program provides a good quantitative measure for understanding the country’s direction in building its military power, and its intentions, albeit with ongoing controversy over how much China’s military is spending. This continuing rise in China’s military spending has led to a gradual increase in discourse about China’s military rise and threats to the United States and neighboring countries around China. In response, China has said that linking the rise in defense spending to any aggressive security threat from China is incorrect, and that regardless of China’s degree of rapid development, the country will not, nor will it ever pursue military dominance or a policy of using military power for expansionism. The Chinese government says that the country’s
defense spending is increasing at rational and appropriate levels, and that the increases reflect 1) an improvement in the treatment of the military commensurate with economic and social development; 2) improvement in capabilities by the military to conduct a diverse range of duties apart from war; 3) reform of the military commensurate with China’s unique situation; and 4) the development of cutting edge weapons systems and equipment and the expansion of support facilities. China’s defense spending in 2011 was $129 billion, second in the world to from the spending figures of the United States, which was $698 billion. The country’s defense spending has seen a ten percent increase or more each year since the 1990s. Consequently, the gap in military spending between the two countries is growing smaller: China’s defense spending was nine times less than the United States in 2004, but this had reduced to about five times less in 2011.

Despite the Chinese government’s attempts to quell fears surrounding the ongoing issue of the “China Threat,” the country’s continuing increase in military spending has led to an increase in security fears in the United States and neighboring countries. This is partly due to the fact that accurately measuring China’s defense spending is impossible, because official reports detailing defense spending are difficult to trust, and any mention of weapon procurements from abroad and other important areas are absent. The U.S. government estimates that China’s real military spending is somewhere around $120 to $180 billion. China is currently investing massive amounts money on its military modernization program. Currently, the Chinese Military’s ongoing modernization program is focused on improving the country’s naval power. Chinese leaders believe that the navy is a key military force, capable of protecting and expanding the country’s national interests. It is investing around one third of total defense spending on improving the existing fleet. The amount of the defense budget available has allowed the navy to build up the capabilities of
its forces to protect Chinese interests in the ocean (Erickson 2010; Richardson 2010). The Chinese government is focusing all of its efforts on increasing its military power, to maintain the quality of life for its 1.3 billion citizens, who make up one fifth of the world’s population, while also protecting the country’s “vital interests.” This includes securing stable supply lines for energy, metals and other important resources, stable trade, and energy transportation (Kaplan 2009). However, as globalization has continued to accelerate with the end of the Cold War, China is in a unique position. As it increases its military spending, Most of the rest of world has been doing the opposite. This increased spending has been aimed at ultimately pushing the United States out of the region, and replacing it as the most powerful actor. In response, the U.S. Department of Defense has estimated that China’s military modernization program is focused on anti-access and area-denial of U.S. Forces. In response to the Quadrennial Defense Review (QDR), released by the United States in February of 2010, The United States called for a regionally tailored deterrence architecture, including the stationing of troops, traditional weapon power, and deterrence of nuclear weapons (Chang-Kwon Park 2011). It specifically expressed grave concern about China’s denial of access or military intervention in case of military clashes in the Northeast Asia region, along with China’s anti-access and area-denial strategy. In the follow-up National Security Strategy Report released in May of 2010, the United States emphasized that it would improve strategic regional joint security cooperation with Japan and South Korea in order to restrain China’s increasing military power. Moving forward, the U.S.–China relationship may follow a pattern of interaction → deterrence → competition, in which the focus of the U.S. Military strategy will ultimately be on China (McDevitt 2010; Tai Hwan Lee 2012).

As it prepares for the rest of the 21st century, the United States will continue a military-centric hedging strategy while returning to
Asia, including the Indian Ocean, to maintain military superiority over China (Fingar 2012). The Chinese state-run media has fiercely criticized the United States for these plans. Xinhua said in an article on January 7, 2012 that “If the U.S. rashly applies militarism in Asia, then it will make the security framework there more on edge and dangerous, not the other way around.” The People’s Daily (April 24, 2014) continues to label the United States as a “troublemaker” because it is creating tension and conflict in the region. People’s Daily’s sister publication the Global Times reported similar sentiments (Jang Hoon Lee 2012).

**Changes and Implications for the Regional Security Framework**

**Changes in the Regional Security Framework**

The regional security framework during the Cold War displayed conflict in the form of confrontation between East and West. However, the post–Cold War 1990s indicated new security frameworks in East Asia (B. An 1997). However the region has a complicated security structure made up of several components; namely (1) the U.S.–Japan alliance; (2) the U.S.–South Korean alliance; (3) the trilateral cooperative alliance between the U.S., South Korea, and Japan (4) the U.S. checks and cooperation with China and Russia; (5) the strategic partnership between Russia and China; (6) the loose cooperation relationship between North Korea, Russia and China; (7) China’s economic assistance to North Korea and close economic cooperation with South Korea; (8) Japan’s strengthening of its military power and the growing role of its self-defense forces; and (9) Russia’s equidistance policy toward North and South Korea, and changes in the inter–Korean
relationship. China’s response to the Obama administration’s so-called “pivot to Asia” policy has become the largest factor in changes in East Asia’s security framework (In-Young Chun 2002).

Beyond these specific regional features, the wider international system is currently witnessing changes in the distribution of power between major actors in international relations. Fareed Zakaria’s catch phrase, “the rise of the rest” Illustrates this point However, this has created a situation where the dominant influence of the United States in international society has paradoxically been weakening, and has resulted in nearly all non-military aspects of American power (economics, industry, finance, society, culture) to gradually retreat. The Global Trends 2025 report published in 2008 by the U.S. National Intelligence Council predicts that the international system will become even more complicated by 2025, and that while the United States will continue to remain a superpower, it will have a less dominant role on the world stage (NIC 2008). The report estimated that by 2025 the international system will be more multipolar, due to the rapid growth of newly developed states like China and India.

The major point of discussion here is the relative decline of U.S. hegemony (Nye 2010) and the rapid rise of China (Chun and Lee 2008). China’s rise was further seared into the minds of people around the globe as the country experienced rapid growth following the global financial crisis that began in the United States in 2008. At the time, most of the world’s countries suffered from negative growth due to the crisis, but China recorded its highest economic growth rates during this period. The Chinese economy’s total GDP in 2010 was 39.7983 trillion yuan (around $5.8786 trillion), second only to the United States in size. China—was able to exercise considerable power in the global economy and international security system, as it became the largest possessor of foreign currency and trader in the world (Ki soo Kim 2010).

However, China’s rapid rise has drastically increased the threat
perception and uneasiness among neighboring countries. The rise of China has created fears that the country will seek dominance in the region. These fears have continued to grow because China recorded a 10.3% economic growth during the global economic crisis and became the second largest military spender after the United States, at around $780 billion (Ministry of Defense 2010). These overall trends make it clear that China will continue to increase its influence and weight in the global economy and is set to overtake the United States. A large number of experts have rosy predictions about the future the development of China’s economy. According to a 2010 study by the Carnegie Foundation, China will overtake the United States by around 2032 (Dadush and Stancil 2010). Goldman Sachs, the global investment bank, has also predicted that the United States and China will reach the same economic level by around 2027. Others predict an even earlier establishment of Chinese economic dominance. Certainly, China’s rapid economic development is a key factor in the rise in the country’s military spending. Accordingly, this will bring about changes to the regional security framework.

Implications of Changes in the Regional Security Framework

The most fundamental reason China’s arms buildup is accompanying both a restructuring in the regional security framework and changes in the structure of power is, apart from high-handed factors, due to China’s views on the existing system (breaking down the status quo as opposed to maintaining it), and other strategic factors. China’s arms buildup may bring about reactions and cooperation from the existing U.S.-centered military security alliance system, and linked with changes in post–Cold War regional security strategy, could result in unpredictable changes in the region. The changes in U.S. regional dominance will likely be a structural factor in China’s future arms
China’s rapid arms buildup will impact America’s response, and likely lead to a decline in American security influence in the region. However, the United States has shown a moderate attitude toward China, and has gradually advanced policies of checking and surrounding China. This is because China’s arms buildup has not posed a direct threat to the United States until this point. In the mid- to long-term, however, China’s rise to a new kind of military superpower will make the country a central variable in regional security framework changes. The changes in Chinese foreign security strategy following China’s rapid arms buildup in the 2000s provide evidence that the country is becoming a major player in the regional security framework (Sutter 2006).

With the aim of preparing for a diverse range of security crises, including possible blockades by the United States, China has been strengthening its security cooperation with other countries who are also discontent with the U.S.-led global regime. For example, China has strengthened its security relations with five countries including Russia, by establishing the Shanghai Cooperation Organization (SCO) in June 2001. China is also taking an active role in APEC, ASEAN+3, ARF and other multilateral regional cooperation organizations. China is, by its geopolitical nature, a continental country. The success of its now 30-year old reform and opening policies has greatly changed its security identity at home and abroad. Its national core interests are gradually gaining more weight (Chang-Kwon Park 2011).

However, China’s arms buildup has paradoxically induced neighboring countries to develop provisions and ways to respond to China-related changes in the regional security framework. China’s rapid arms buildup and the changes it has done to the regional security framework have created instability and uncertainty. The largest variable in this instability and uncertainty is changes in power between the United States and China. U.S.–China policy currently involves a
complicated mix of both security and economic issues, as opposed to the U.S. policy toward the USSR in the Cold War, which was focused primarily on military and security issues (Chang-Hee Park 2011). Within this complicated U.S.–China relationship, the East China/South China Sea disputes or the Korean Peninsula issue could well lead to military confrontation between the two countries. While the United States is outwardly welcoming a rising China, and hoping for the country to play a larger role in the Asia region, in reality American leaders are worried that the change in the existing security regime due to China’s rapid arms build-up could be a severe security threat. This perception grew in 2010, when following the Cheonan sinking in Korea’s West Sea, China strongly opposed joint military exercises by the United States and South Korea, in what China considered to be its coastal waters. This tension has continued as China has made the East China Seas and South China Sea part of its core interests (So 2010).

In conclusion, linked with these changes in the regional security environment, China has recently focused its efforts on establishing campaign-level battle strength, and great watching over its border regions. As a result, China has moved to improve the joint nature of its military leadership, military doctrines and structure, military training, and battle training. For example, seven of China’s army groups are rapid response units, while four army groups (Beijing Military Group 27 and 38, Shenyang Military Group 39 and Jinan Military Group 54) are deployed in the border regions to the North, East, and West (Blasko 2012).

**Improving ROK–Indian Strategic Security Cooperation Relations**

The Asia region of today is undergoing rapid changes in its security
environment. The unipolar system run by the United States over the past half century is slowly collapsing and China’s rapid rise as a superpower has pushed the East Asia security framework in a direction more advantageous to China. The strategic security cooperation relationship between India and South Korea could potentially have quite a bit of significance. Within this new security environment, individual countries in the region have strengthened their strategic security cooperation relationships. The strengthening of the strategic security cooperation relationship between South Korea and India has had the effect of checking and limiting the unilateral threats by certain countries (North Korea, Pakistan, among others). The establishment of such a relationship between the two countries will be a positive development for the region in the long term and will help maintain peace and stability in the region.

In fact, during the Cold War, India experienced border disputes with China and Pakistan, many times, and maintained a security alliance with the Soviet Union as insurance against threats from these countries. India received military assistance from the Soviet Union, and even signed a treaty of friendship with the country during their Cold War ties. In addition to forming ties with the Soviet Union, the then distant relationship India had with the United States was beginning to grow, despite increasingly positive connections between the United States and China in the 1970s. Until then, the United States was neutral in India–Pakistan disputes (Kumar 2009). However, when India conducted a nuclear test in the Rajasthan Desert in 1998, the U.S. President Bill Clinton criticized India. Following the implementation of several sanctions aimed at an economic embargo, the two countries’ relationship quickly chilled (Kapur and Ganguly 2007). However, after the fall of the Soviet Union and China’s rapid rise, India’s Defense Minister George Fernandes began publicly commenting that China posed more of a threat than Pakistan, because it was
transferring nuclear and missile technology to Pakistan (Burns 2008).

With the collapse of the Soviet Union, and its security guarantee which had provided protection against the Chinese threat during the Cold War, India moved to protect its security by developing nuclear weapons and conducting nuclear tests in 1998. India also began to voice concern over China’s expansionism in the Indian Ocean, in which China strengthened its relationship with Pakistan and through its “String of Pearls” strategy aimed at isolating India. China has negotiated the construction of a naval base in Pakistan’s Gwadar and the use of ports in Sri Lanka and Myanmar. India has reacted to this strategy of encirclement by emphasizing its own need for nuclear deterrence to counter a nuclear-armed China and Pakistan. The fact that India faced such a direct security threat from China’s rapid arms buildup led the country to improve relations with the United States.

In October 2005, the United States and India concluded a defense framework agreement aimed at improving bilateral security cooperation. This has led India to import more weapons from the United States, among other improvements in military cooperation. India has used its security relationship with the United States to increase U.S. involvement in Asia and to minimize the threat posed by China. The United States gave final approval to a $2.1 trillion arms deal with India in March 2009, and President Obama presented a six-point joint statement with India in 2010. This is all evidence of India’s attempt to counter the Chinese threat by improving relations with the United States, a country it had uncomfortable relations with during the Cold War. The improvement of U.S.–India relations facilitates the improvement of the South Korea–Indian strategic security cooperation relationship, because they both occurred in the context of reacting against the security threat posed by China. South Korea and India will have to implement, in the mid to long term, a relationship built on security cooperation due to the need for both countries to
counter China.

Meanwhile, following the end of the Cold War, South Korea is facing pressure to choose between China and the United States. South Korea has found it needs to build a strategic security relationship with India, a country that is improving relations with the United States. Both South Korea and India desire the continuation of the status quo in the power balance in East Asia, and have concerns over increasing Chinese influence in the region. As a result, the strengthening of the security relationship between the two countries has strategic significance. First, South Korea and India each have neighboring countries that threaten their security, namely, North Korea and Pakistan. North Korea and Pakistan are both ruled by authoritarian regimes controlled by an elite minority of military leaders (Ganguly 1999). North Korea is run by a military-led regime, while Pakistan’s military has firm control over the country’s politics. Second, South Korea and India both face threats from nuclear weapons. Both countries have been divided into two or more parts. British India was divided into India, Pakistan (and from Pakistan, Bangladesh), while South Korea was been divided into North and South. Third, the two countries both face the real possibility of war breaking out on their territory. However, in contrast with Europe, there is no multilateral organization that has been established to control regional unrest. The strengthening of India and South Korea’s bilateral relations thus provides a very important role in maintaining peace and stability in the region. Both countries aim to rise to become core countries in the 21st century, and as a result need to establish a strategic cooperation relationship. The two nations must continue to build up their existing alliance, in order to protect their political sovereignty, and secure their influence in their respective neighborhoods.

In order to do this, the two countries must first prevent themselves from falling under the domination of their neighbors. Second, they must prevent themselves from becoming involved in various issues
they need not be such as trade and economic disputes. Third, they must secure their maritime transportation routes. However, the power of a single country is not enough to secure these national interests effectively. South Korea, for example, is a coastal state and has the burden of establishing both an army and a navy capable of defending the country. It is difficult for the country to hold a continental country in check, because there is no way to focus all of its small resources in one area. Thus, it is important for South Korea to carefully distinguish which countries threaten national security the most and work with other countries to minimize the threat. South Korea’s biggest threat to its security interests will come from China. Currently, North Korea is the only country that has expressed territorial ambitions toward South Korea officially, and while the North Korea’s military forces have weakened somewhat over the years, it still poses a threat to the South. Moreover, North Korea’s ally China has the ability and, depending on the situation, the strategic interest in sending large numbers of troops into the Korean Peninsula. China has the capability of conducting a blockade in the West Sea, the East China and South China Seas, and there is a high possibility it will make moves to secure its exclusive control over waters it deems part of its core interests. Furthermore, China has strong motivation to oppose American and South Korean led unification of the Korean Peninsula, because it wants North Korea to remain as a buffer state. As competition with the United States increases, China’s desire for this will likely continue.

As indicated above, South Korea and India face dilemmas and challenges in maintaining their security. China’s arms buildup may be considered justified by some, but China’s motives in providing nuclear technology and building missile systems for North Korea and Pakistan may be for other reasons. China is supporting the development of Pakistan’s missile capabilities directly and indirectly as a way to check India, in the process has successfully improved its own country’s image.
in the Missile Technology Control Regime (MTCR) grouping and has avoided international pressure by using North Korea as a route in negotiations with Pakistan on nuclear weapons. China is Pakistan’s main supplier of weapons and has either sold or given the country T-59 tanks, T-531 armored cars, missile boats, F-7P fighters, and M-11 missiles. China has also provided Pakistan with equipment to produce various traditional weapons including fighter aircrafts, T-69 tanks, HJ-8 missile systems, and HN-5A ground-to-air missiles.

China’s active military assistance to Pakistan has led to India placing more resources on the Pakistani border, as opposed to China, and this has led to an increase in China’s strategic influence in the South Asia region. Moreover, North Korea and Pakistan are developing their capabilities to possess nuclear weapons and long range missiles. During the Iran–Iraq war in the 1980s, North Korea and Pakistan’s military cooperation relationship grew closer. The two countries exchanged engineers and intelligence and helped Iran develop missiles and nuclear weapons. This relationship has developed into the two countries helping each other develop nuclear weapons and intercontinental missiles. The result of this cooperation has been the movement of North Korean military equipment and military exercise technology to Pakistan, and the transfer of nuclear and missile technology it obtained from Germany and Russia to North Korea. The increase in military cooperation between the two countries is creating a great deal of instability in the regional security framework. South Korea needs to work with India, Japan, and the United States to balance out this relationship.

Currently, North Korea’s nuclear and missile capabilities reach South Korea as well as the Japanese islands, while Pakistan has most of India’s major cities in range. China’s military assistance to the two countries has been aimed at gaining superiority over South Korea, and Japan, and to prevent American intervention in the region. The
fact that South Korea and India share the same values as the United States and maintain alliances with each other will be an important factor in strengthening their relationship. The two countries will need to build and strengthen a new security cooperative relationship in line with rapid changes in the region’s political makeup. A diverse range of non-traditional security issues have also become in need of more attention. For example, South Korea and India need to strengthen their cooperation in dealing with narrowing the gap between the rich and poor, population movements, drugs, supranational crime, environment issues, and religious/race issues. South Korea has emphasized the importance of the U.S.–South Korean Military alliance after the unification of the Korean Peninsula, but will have to ask itself whether China carries the same opinions? The East Asia that Chinese leaders are planning has China, not the United States as the dominating actor in the region. As a result, South Korea needs to cooperate with China in the short term as a necessity. However, there are considerable strategic dilemmas and contradictions in doing so. India is in the same situation. India must improve its relationship with China, but has no choice but to focus on the China threat due to the country’s growing conflict over territory with neighboring nations.

**Conclusion**

As previously discussed, the security framework in Asia will likely experience new changes with the relative decline of U.S. influence and the rapid rise of China in the region. Considering that China possesses extensive territory, the world’s largest population, the world’s second largest economy, plus the fact that it is a member of the UN Security Council, one cannot eliminate the possibility that China will establish regional hegemony in a short period time. While China may
not overtake the United States in terms of international influence, it appears to be possible that the country could grow to become on similar par with the United States in the international community, and become a competitor. China's earlier strategy since the 1990s has been a strategy of To Gwang Yang Hui (韬光养晦) or, concealing one’s abilities until the time is right to strike, under the principle of not becoming a hegemonic power like western countries during the past era of imperialism. China has used its continuing economic growth to increase its defense budget by approximately 10% annually, and it will use it to expand naval modernizations and increase its influence regionally. China has recently started shifting away from this former strategy, and moving toward a more proactive and aggressive one.

Consequently, it is likely that the regional security framework will become even more malleable due to strategic confrontation between the “returning” United States and the assertive China. Ultimately, the United States’ “return to Asia” will be an unavoidable strategic choice. Furthermore, there is a growing U.S. need to block China's military threat beforehand, in order to maintain and strengthen the United States centered security framework in Asia (Clinton 2011). China will likely place all its efforts behind minimizing clashes with the United States for the next 10 years, as it searches for shared interests with the world's countries during the planned construction of its “prosperous society” by 2020. China has judged that peace and development are the main tasks for this generation. While the national power of newly developed and developing nations increased rapidly after the 2008 global financial crisis, the national power of existing major powers decreased, and changes occurred in the balance of power in the international system. That being said, U.S.-led hegemony, power politics and neo-interventionism is continuing, and will cause local confusion and the increase in non-traditional security issues.

There are a number of new characteristics in the Xi administra-
tion’s foreign policy. First, the 2011 White Paper titled “China’s Peaceful Development” and the 18th Party Congress have clearly described China’s general core interests. These core interests include Taiwan, Tibet, sovereignty, security, development and territorial protection. Second, the Chinese have presented a new type of great power relations (xinxing daguo guanxi 新型大国外交) model, with the desire to build a smooth, cooperative relationship with the United States. This new model not only emphasizes cooperation with the United States, but also makes it clear that the protection of China’s own core interests is very important. This model clearly states that the United States must not prevent China from pursuing its core interests, because they are required for China to become a superpower. This makes it clear that the two countries will be ultimately heading toward conflict and clashes in the future (Dong-ryul Lee 2012).

The Xi administration will likely move to solve issues regarding the U.S. encirclement policy toward China by more aggressive means, because the Communist Party has less of a monopoly of power than before, and is facing the increase in influence by various interest groups and popular sentiments. Of course, both China and the United States desire stability in the region. They have been unable to find points of agreement on the end state of the region’s various security issues, but agree that the stable management of the regional system fits in both of their interests. Recently, however, the United States has used the strengthening of its relationships with South Korea, Japan, and India in preparation for a return to Asia, but China has been reacting very sensitively to this. If the South Korean government fails to meet the minimum expectations of the Chinese, China could very well link the U.S.–South Korean alliance with domestic interests, and this could be used to strengthen the strategic value held by North Korea. Particularly after the execution of Jang Song Taek and growing uncertainties surrounding North Korea’s domestic situation, China may feel a greater
need to tolerate North Korea, and so will expand its influence there even more.

The changes in the regional security framework can be explained as attempts by the United States and other neighboring countries to keep China’s arms buildup in check by strengthening their own military power. The arms buildup by other countries in the region may lead to the following situations: First, there may be further changes in the balance of military power in the region. China may have difficulty catching up to U.S. Military power, but it will possess enough military might to deny U.S. Forces in the region if needed. The strengthening of China’s A2/AD strategy will lower the operational capabilities of the U.S. Military, and weaken U.S. security commitments toward its regional allies. Second is the formation of an anti–Chinese grouping of countries in the region. Ironically, China’s arms buildup has caused other countries to strengthen their security cooperation with the United States to check Chinese power. Third is the outbreak of an arms race, and its negative impact in this part of the world. A regional arms race would lower security transparency, and weaken confidence in the relations between these countries. It would expand or produce more tensions and disputes and make peaceful resolutions more difficult. As noted above, South Korea is located in a unique geopolitical situation, which combines the hegemonic competition between the United States and China, with its own interest in creating competition to create a regional framework for this cooperation. South Korea is a small and weak country compared to the major powers surrounding it, but is also a “Middle Power” on the global stage.

When South Korean leaders establish their future foreign security policies, they must continue to strengthen the role and importance of the U.S.–South Korean Military alliance due to geopolitical conditions, but it must also continue to advance a strategic alliance that reflects South Korean interests as a Middle Country in line with
the new threat posed by China’s arms buildup. For this to happen, the country must use its alliance with the United States as a basis to improve relations with India and build a strategic security cooperation relationship. Facing some degree of stagnation, there are still changes that need to occur to make the relationship between the two countries more concrete, and for the relationship to develop into a viable strategic security force. Finally, South Korea must firmly move to establish a cooperative system between other Middle Powers, by developing cooperation on social, cultural and economic issues. South Korea shares values of liberal democracy with India, and the two countries’ relationship will play a central role in deterring China’s arms buildup, and the security threats posed by North Korea and Pakistan.

**References**

**Korean Language Materials**


English Language Materials


Kamphausen, Roy and Andrew Scobell. 2009. *Beyond The Strait; PLA Missions Other than Taiwan*. Carlisle, PA: US Army War College Strategic Institute.


Expanding Defense and Strategic Cooperation Between South Korea and India

Nicholas Hamisevicz

The Republic of India and the Republic of Korea (also known as the ROK, South Korea, or Korea) are important countries whose examples reflect the history of Asia since the end of World War II. Both countries emerged from colonialism, dealt with war, and had economic and political successes that propelled them into more important regional and global responsibilities. When people speak of the twenty-first century being an ‘Asian century,’ the roles of India and South Korea are crucial to that label. With the successful advancement in both countries and in the importance of Asia itself, the relationship between India and Korea has grown. In 2013, the two countries celebrated forty years of formal diplomatic relations. While this is a long period, it is the more frequent activity in recent years that provides some optimism about the future of the India–Korea relationship.

Asia has grown in importance to where events in the region are now vital determinants for the global economic future and geostrategic environment. The growth in the perception of Asia has changed from just being considered North and Southeast Asia to often being seen as encompassing the Middle East, all the way to the western shores of the Americas. This expansion of the Asian region and of its importance in the world has helped more closely connect Korea and India, especially
with regards to the strategic and defense aspects of their diplomatic relationship.

**History and Culture Help Tie Korea and India Together**

With Asia’s long history and cultural emphasis on the past, often historical and cultural connections, positive or negative, help define modern relationships. Despite only having forty years of diplomatic relations, Korea and India do have historical and cultural linkages that are often used to demonstrate the commonalities between the two countries. The year 2011 marked the “Year of India” in South Korea and the “Year of South Korea” in India, and some of these positive historical affiliations were highlighted. A statue of the Indian Nobel laureate Rabindranath Tagore was erected in Seoul on May 18, 2011. Tagore connects India and Korea with his poem “Lamp of the East,” which is how he described Korea. During her trip to Korea in July 2011, India’s President, Pratibha Devisingh Patil, visited this statue on the same day she signed a nuclear agreement between India and South Korea.

South Korea and India are also connected through the story of when Indian Princess Suriratna from Ayodhya sailed to Korea and married King Suro, and it is believed that she “mothered’ the Kim-Heo dynasty in South Korea” ("Strategic Partnerships between India and East Asia with Advent of Asian Century” 2013; Choudhary 2008, 218). Buddhism also plays a role in the historical and cultural relationship between these two countries as an Indian monk traveled to Korea to translate “72 books of the Vinaya under the patronage of the King Song of Paekje” (Choudhary 2008, 218). Moreover, Koreans sailed to India to learn about Buddhism and its culture in India as
In more modern historical times, India and South Korea have some ties from the Korean War. India voted for the draft resolution and the United Nations Security Council resolution condemning North Korea’s invasion. Then at the end of the war India was responsible for “solving the difficult issues of guarding the Prisoners of War and repatriation of about 23,000 POWs who had initially refused to be repatriated to the state to which they belonged during the war” (Anand 2008, 207).

### Economics as the Main Connector of Recent Interaction in Asia

These historical connections are important, but for a rising power in India that needs to maintain strong economic growth and a country like South Korea that relies on trade and is looking to expand its influence, economic opportunities will continue to be the main drivers for this young strategic partnership. India’s 1991 economic reforms opened up new avenues for trade and investment and moved India beyond the slow growth rate under socialist governments (Dutta 2008; and Scissors 2010). The economic reforms in India, led by Manmohan Singh, “were influenced by the East Asian success story and South Korea was among the chief countries to have an impact on the Indian policy makers’ thinking process” (Dutta 2008, 197).

In 1992, India unveiled its ‘Look East Policy.’ Although initially focused on countries in the Association for Southeast Asian Nations (ASEAN), the ‘Look East Policy’ provided an avenue for India to look beyond South Asia as well as encourage outside countries to examine their relations with India. The combination of the new domestic economic reforms in 1991 and the Look East Policy in 1992 opened up...
the possibility for greater economic interaction between India and the rising economies in Northeast Asia.

For South Korea, as one of Asia’s original economic tigers, the “unparalleled intraregional economic growth and cooperation driven by China’s and India’s accelerated rise have significantly enhanced the importance of economic interests in South Korea’s foreign policy” (Lee 2011, 170). South Korea’s dependence on trade and energy for its future economic growth requires a positive global economic environment.

Yet, South Koreans also are becoming more aware of the monumental financial costs, let alone the political, sociological, and security challenges it will face, if a collapse in North Korea is to occur. A collapse scenario necessitates continued economic success for South Korea and the global community, as Seoul will try to encourage others to help offset some of the reconstruction costs of a reunified Korean peninsula.

With these drivers and trends in the policies of both countries, along with the improved growth of their economies, South Korea and India began to increase their economic relationship. Moreover, in the first decade of the 2000s, there was a rapid development of bilateral economic agreements in Asia. South Korea especially began to pursue free trade agreements with countries in Asia and South America. South Korea and India signed their Comprehensive Economic Partnership Agreement (CEPA) in 2009, and it entered into effect one year later. Since the signing, overall trade between the two countries has continued to increase. The two sides have set a goal of $40 billion in total trade by 2015. The 2012 figures indicate South Korea and India did around $18.8 billion in total trade; this was actually a decrease from 2011 where the total trade number came in around $20.5 billion (Korea International Trade Association and Logistical Reports 2013). Thus, Korea and India have some more work to do to reach their goal of $40 billion by 2015.
Historical associations, cultural connections, and the necessity for economic growth are the main connectors for the Korea–India relationship. From this base, South Korea and India were able to move forward toward a strategic partnership. However, these factors will continue to be the main foundation for whatever strategic aspects the two countries focus on in their relationship.

**The Geostrategic Environment for Korea and India**

In the security realm, there have been two very different strategic periods over the forty years of diplomatic relations: the Cold War period dominated by two superpowers and the post–Cold War period with a strong multipolar environment. The different dynamics in each of these periods have affected the Korea–India relationship.

During the Cold War period, politics prevented any real overlap of policies or goals between the two countries. India in its non-aligned movement saw South Korea as too close to the United States and conversely, South Korea viewed India’s non-alignment policies as a disguise for its real relationship with the Soviet Union, which in turn was an ally to North Korea. Although Cold War politics seemingly lined up India and South Korea on opposite sides of issues, there were very few cases of direct disagreements or events that would hinder their current relationship.

After the Cold War, the geostrategic environment in Asia changed, and the goals for both the South Korean and Indian governments beyond their immediate regions provided potential avenues for a strategic partnership. As already discussed, both countries were trying to maintain and enhance their economic growth capabilities. Moreover, both South Korea and India were looking to move outside their regional neighborhood and become more relevant in the larger Asian
regional context and global setting. With the rise of China and India, the war on terrorism in Afghanistan and Pakistan, along with a move toward an Asian Century, the geopolitical space expanded beyond East Asia. The whole area from Afghanistan to Japan started to be called the Asia–Pacific region or the Indo–Pacific region. With Somali pirates endangering the important trade and energy shipments to Asia, the strategic space stretched even further from the Gulf of Aden through the Indian Ocean and the Malacca Straits and out to the Pacific Ocean to the west coast of North and South America. The expanded space also extended the areas of cooperation between countries.

In examining this new geostrategic situation, South Korea has some primary determinants that will affect its security and foreign policy. The rise of China, with its economic growth, rapid military modernization, and relationships with North Korea and the United States, will have an important impact on how South Korea maneuvers itself in the twenty-first century. South Korea’s dependence on trade has forced it to look for new economic partnerships with countries like India; this can be seen in its push for free trade agreements with important economies around the world. Moreover, living in a dynamic region where countries are enhancing their diplomatic relations and activity, there is often “an uneasiness in South Korea about ‘sitting on the fence’ or being a loner in East Asian affairs” while other countries maneuver to maximize their strategic interests (Brewster 2010, 425).

More importantly for South Korea, finding new economic and security partnerships for support will also be necessary because of the unpredictable nature of North Korean provocations or a potential collapse. South Korea wants to “maintain maximum independence throughout the process leading up to reunification” (Lee 2011, 166–167, 171). Thus, South Korea hopes these strategic partnerships combined with its overseas development and diplomacy efforts will create a positive image of South Korea in the international community and
allow it to determine the course of reunification.

South Korea also wants to try to avoid “the pressures of a G-2 template in Northeast Asia” with both the United States and China greatly controlling things in the region. This will limit South Korea’s ability to maintain independent and maximum control over the reunification process. Enhancing partnerships with East Asian regional players like Japan, Indonesia, and Australia as well as bringing in another Asian rising power in India will help South Korea “increase its relative leverage in Northeast Asia” (Lee 2011, 181).

Moreover, South Korea observed the United States and its other allies and partners improving their relationships with India; thus, South Korea decided to augment its efforts with India as well (Panda 2011). David Brewster (2010) sees South Korea’s security relationship being “less likely to be driven by a strategy to balance China and more by a desire to remain involved in the evolving U.S. strategy in the Asia–Pacific region, in which India is also likely to play a key role” (419). This helps South Korea expand its strategic space beyond the confines of Northeast Asia and be seen as an important regional player capable of positively contributing to Asian security matters.

For India, it too was looking to move beyond the confines of its region. India wanted to maintain the growth it was receiving from its reforms, so it had to start looking outside the less economically dynamic region of South Asia. India tried to de-link itself from Pakistan in the eyes of the international community, and it was helped when the United States started to “de-hyphenate” its policies toward India and Pakistan. The rise of China and the importance of Asian trade through the Indian Ocean provided opportunities for India to reach out to new partners.

The ‘Look East Policy’ provided a nice political vehicle for Indian officials to accomplish their economic and strategic goals in a new environment following the start of their economic reforms and the
end of the Cold War. Through this policy, India was able to “break the artificial political barriers between the subcontinent and Southeast Asia” and expand its strategic and economic space (Mohan 2003). Domestic, regional, and global dynamics then helped sustain the acceptability of the ‘Look East Policy’ for India.

The United States has played an important role in India’s Northeast Asia calculations as well. The United States has encouraged India to do more in the region. The United States and India have a dialogue focused on East Asia. Moreover, Kurt Campbell, the former U.S. Assistant Secretary of State for East Asia and Pacific Affairs, testified that the United States has discussed North Korea with India. The United States believes that “India’s growing security and political relations with Japan and South Korea will also enhance prospects for security and stability in Northeast Asia” (Campbell 2011). Thus, in their larger Strategic Dialogue and during other meetings, the United States and India conversed about security concerns involving North Korea.

Even with the importance of the United States, India sees its interest best secured in “not having any one power dominating in a post–U.S. security paradigm” (Singh 2008, 284). This is especially true if the United States is perceived to be in decline as an Asian-Pacific power. Thus, it is important for India to gain “the support of middle-level powers like Korea, who also have strong interests in maintaining the status quo,” in order to deter other powerful countries, like China, from commanding the strategic space vacated by a weakened United States (Singh 2008, 284).

Lastly, the rise and influence of China is too large not to be a factor in this strategic partnership between South Korea and India. The China factor is immediately present when India and South Korea attempt to deal with their troublesome neighbors, Pakistan and North Korea. Pakistan and North Korea have a history of cooperation over
missile and nuclear technology. Engineers from Pakistan and North Korea were present at previous test launches of missiles in each country. North Korea then seemed to exchange its missile technology for nuclear technology from Pakistan. A.Q. Khan, one of the fathers of Pakistan’s nuclear program, was a conduit of the transfer of nuclear technology from Pakistan to North Korea. Currently though, this interaction between Pakistan and North Korea appears to have diminished.

However, China still plays a large role bilaterally with both Pakistan and North Korea. India and South Korea, along with their respective allies, have to work with China to encourage it to put pressure on Pakistan and North Korea not to engage in dangerous activity that threatens peace in the regions. China is an important benefactor for both nations, which gives it some influence; nevertheless, North Korea and Pakistan have disregarded some of China’s warnings in the past and undertaken actions for their own purposes against their respective neighbors.

Beyond the immediacy of troublesome neighbors, the China factor affects the overall Asian regional strategy for both India and South Korea. For India, many of the ‘Look East Policy’s’ goals bump up against China issues (Singh, 2009, 268). India’s efforts to engage Southeast Asia correspond to similar attempts by China. This is seen especially in both countries’ relations with Burma. India’s hope to improve the development of its northeastern states can be seen in some ways through the lens of China claiming some of that area as part of its own territory. Moreover, fear of another border war with China like the one between the two countries in 1962 is another reason the ‘Look East Policy’ helps India focus on the development of its northeastern states.

That memory of war factors into the Indian perception of a string of pearls theory by China to surround India and limit its strategic capabilities when China tries to improve relations with countries like
Pakistan, Sri Lanka, Bangladesh, and Burma. From the Chinese perspective, the ‘Look East Policy’ of India, by improving relations and developing strategic partnerships from ASEAN up to Japan and South Korea, can appear to be encirclement, blocking China’s own maneuverability. China might let India get away with the ‘Look East Policy’ being focused on economics and ASEAN, but increasingly more work in Northeast Asia might make China wary of India’s approach and fear greater encirclement by India. The improvement and modernization of China’s military is “already making East Asian waters uncomfortable for the U.S. Navy” (Gallagher 2010, 54); thus, China’s military development would be even more of a concern for India’s navy if India ventured to Northeast Asia, with Indian Navy being less powerful than the U.S. Navy and its carrier groups.

For South Korea, China looms large as a neighboring power in Northeast Asia. South Korea must maintain good relations with its number one trading partner and a country that has important influence over North Korea. Yet, South Korea cannot be seen as moving too close to China and risk damaging its alliance with the United States. Though present, the multilateral cooperation between the United States, South Korea, and Japan is not as strong as some would think or hope. Moreover, although still in a young bilateral strategic relationship with India, South Korea does not seem to be considered or involved in multilateral cooperation efforts or ideas between United States, India, Japan or any quadrilateral discussion between the United States, India, Japan, and Australia. Thus, in the near term, South Korea might be more comfortable in bilateral relationships “than the anti–China implications that seem inherent in a multilateral approach,” suggesting South Korea and India might maintain their efforts working bilaterally together before upgrading to multilateral approaches involving U.S. regional allies (Brewster 2010, 420).
These overall dynamics led to a desire for greater interaction in the security realm between South Korea and India. Often when sides begin their strategic relationship, the concrete actions involving security cooperation are connected with economic goals. With the importance of global trade and energy from the Middle East, both countries explicitly wanted to work together to develop “greater cooperation between the navies and coast guards in areas pertaining to the safety and security of maritime traffic” (Brewster 2010, 420). Security arrangements between two countries often start with the coast guards as cooperation at this level comes across less challenging and targeted at another country than if the two militaries immediately began working together. India’s coast guard traveled to South Korea for coast guard exercises in November 2005, and then following a Memorandum of Understanding (MoU) about maritime cooperation in March 2006, the coast guards did another joint exercise together in Indian waters in July 2006 (“India, Korea Coast Guards Participate in Joint Exercise” 2006; Panda 2011, 5). Despite the coast guards being out of their immediate areas, benefits are still derived from joint exercises as the coast guards learn how the other countries’ agencies handle problems like oil spills and other pollution clean-up; moreover, the South Korean coast guard and other naval operators will be more familiar with Indian maritime protocol and challenges if they were to provide humanitarian relief to a natural disaster (Vasan 2006).

For the Korea–India Strategic Partnership, 2010 was the milestone year of its official beginning and when important meetings and steps were taken to solidify the strategic nature of Korea–India bilateral relations. In January 2010, South Korean president Lee Myung-bak made a state visit to India and was the guest of honor for India’s
Republic Day celebrations. During that trip, President Lee of South Korea and Prime Minister Manmohan Singh of India agreed to upgrade the two countries’ relations to a “Strategic Partnership” (“India–Republic of Korea Joint Statement: Towards a Strategic Partnership” 2010). The success of this summit set off a wave of diplomatic activity between South Korea and India in 2010. One of those important diplomatic meetings was External Affairs Minister of India, Shri S.M. Krishna, visiting Seoul in June 2010 for the meeting of the India–ROK Commission. Minister Krishna also made a speech to the Institute of Foreign Affairs and National Security (IFANS) in Korea, where he unveiled six steps for enhancing India–South Korea relations (Krishna 2010). Minister Krishna argued for consolidating and strengthening the “political partnership through high level exchanges;” expanding and diversifying economic ties; forging “new science and technology links;” working more closely on energy needs; strengthening cultural exchanges; and expanding “people-to-people ties” (Krishna 2010).

As part of the flurry of diplomatic activity in 2010, South Korea and India signed two MoUs regarding military cooperation. These signings occurred during the visit to Seoul by Indian Defense Minister A.K. Antony. The first MoU discussed future exchanges of military information, visits by military personnel, and military exercises. The second MoU paved the way for South Korean and Indian joint collaboration projects on military equipment and research and development on future defense technology (“India and South Korea Sign Two Landmark MOUs to Boost Defence Cooperation” 2010).

While the governments of Korea and India can interact on many levels, there are two higher level dialogues that are significant for the strategic partnership. The first dialogue is the India–ROK Joint Commission. This meeting is chaired by the External Affairs Minister of India and the Foreign Minister of South Korea. This high-level interaction can help drive the Korea and India relationship forward.
and develop strategic interests and cooperation desired by the leaders of the two countries. The Joint Commission has only officially met seven times. In the joint statement after Prime Minister Singh’s visit to South Korea in 2012, the two sides emphasized the importance of trying to have the Joint Commission every year ("India–Republic of Korea Joint Statement: Deepening the Strategic Partnership" 2012). However, the busy schedules of the ministers and the importance of more pressing issues for India and Korea likely prevented the Joint Commission from being an annual meeting.

The second important meeting for Korea–India strategic relations is the Foreign Policy and Security Dialogue (FPSD). The FPSD is held at the vice foreign minister level and is used to “exchange views and harmonize positions on a vast variety of bilateral, regional and international issues” ("India–Republic of Korea Joint Statement: Deepening the Strategic Partnership" 2012). This meeting has only been officially held three times, with the third meeting being most recently held in Seoul ("3rd India–Republic of Korea Foreign Policy and Security Dialogue" 2013). This meeting is important as well and should also be occurring once a year in order to enhance the strategic partnership of Korea and India. Busy schedules, more immediate priorities, and individual meetings between ministry counterparts all likely impact the ability for the FPSD to be held on an annual basis.

While these developed bilateral meetings are vital for maintaining connections and contacts between India and Korea, visits from important executive branch officials and the heads of state help provide the impetus for further collaboration. Important joint statements about the nature of the strategic partnership were released during South Korean president Lee Myung-bak’s visit to India in 2010 and Indian prime minister Manmohan Singh’s visit to South Korea in 2012. A nuclear agreement was signed when Indian president Pratibha Devisingh Patil came to Korea in 2011.
More recently, India’s National Security Advisor Shivshankar Menon traveled to Korea, and it was announced that the two countries would share intelligence “regarding proliferation activities by North Korea and Pakistan” (Kim 2013). South Korea’s new Foreign Minister Yun Byung-se visited India in November 2013, meeting with Indian External Affairs Minister Salman Khurshid and prepared for the visit to India by South Korean president Park Geun-hye. President Park’s trip to India in January 2014 once again emphasized a desire for the two countries to expand the economic and security ties between Korea and India. The two sides came to a bilateral agreement on the protection of classified military information, possibly building upon the discussions from Indian National Security Advisor Menon’s trip to Korea (Hamisevicz 2014). Many other speeches, agreements, MoUs, and events have occurred during these visits to the other respective country by Indian and Korean executive branch officials.

Because both India and Korea are outside each other’s immediate strategic area, these meetings are important for determining shared interests and common goals between the two countries within their neighborhoods, the greater Asia region, and the global community. It is a positive sign that various Korea–India meetings have continued to take place since South Korean president Park Geun-hye took office in February 2013 and future interactions are already being planned.

Military and Defense Relations in the Strategic Partnership

With strategic relations, the military and defense aspects of a country are likely to be involved. South Korea and India have not previously had significant bilateral cooperation between their militaries, but that is beginning to change. Both countries now have defense attachés at
their respective embassies, allowing for greater dialogue and cooperation between the two militaries.

As India and Korea try to expand their influence in the region and in the world, as well as respond to potential threats from their neighbors, both countries have been looking to enhance their military. For India, it particularly wants to improve its navy. The Indian government plans to “spend almost $45 billion over the next 20 years on 103 new warships, including destroyers and nuclear submarines” (Keating 2011). Since 2005, India has the largest trend indicator value of imports of major conventional weapons in the world, and five out of the last six years it has been the number one importers of major conventional arms in the world (SIPRI Arms Transfer Database 2013). Over the same period, South Korea is the fifteenth largest major arms exporter in the world, but India has not made a major conventional arms purchase from South Korea since buying offshore patrol vessels in 1987 and 1991 (SIPRI Arms Transfer Database 2013).

South Korea is hoping to benefit from this new partnership with India to win some higher profile military contracts, especially with the success of Korea’s shipbuilding and fighter aircraft trainers. Shipbuilding is a main advantage for South Korea and might give Korea important inroads into the Indian defense procurement process.

South Korea had a chance to win a higher profile military bid in late 2011 as the Korean Aerospace’s KT-1 fighter trainer was part of the final group for the Indian Air Force’s selection to purchase a new trainer plane. South Korea was hoping it would be able to supply seventy-five of these trainers to the Indian Air Force; however, the contract was given to Switzerland’s Pilatus Aircraft for its PC-7 fighter trainer. An appeal by Korean Aerospace was unsuccessful, but hopefully this will not discourage South Korea and its defense exporters from competing for future defense contracts with India (Hamisevicz 2012). South Korea hoped to have had more luck with India agreeing
to purchase eight minesweepers from the Kangnam Corporation and work with Goa Shipyard Limited with a license technology transfer (“India to Order 8 Minesweepers from South Korea” 2012). However, some bureaucratic delays have possibly appeared, preventing this agreement from actually moving forward to allow Korea to build and transfer two minesweepers to India and then help India’s Goa Shipyard construct the final six (Bipindra 2013).

**Future Strategic Possibilities for Korea and India**

Over the past decade, South Korea and India have developed important mechanisms for continuous interaction while allowing for growth to new areas in the future. As the two countries begin their journey for the next forty years of relations, both sides are likely to continue developing a more autonomous foreign policy. For South Korea, that mainly entails having a more equal alliance with the United States, finding the proper balance in policy with the United States and China, and maintaining the ability to independently control the process of reunification. For India, autonomy will mean continuing to develop partnerships with a variety of nations, buying military hardware from multiple countries, and maintaining a diverse supply of energy and resources (Jaishankar 2013). Even with the desire for a more independent foreign policy, both South Korea and India could pursue various issues of strategic importance for both sides.

One of the strategic areas for Korea and India to undertake could be greater coordination and cooperation in multilateral and international settings. At the global stage, both countries are key members of the United Nations and its organizations and the G-20. At the more regional level, engagement with ASEAN could be another area of coordination. Both countries have key platforms of interaction and
dialogue with ASEAN. Moreover, two of the larger Asia regional gatherings, the ASEAN Regional Forum and the East Asia Summit, have the ASEAN style enveloped within them. India and Korea could coordinate and push key issues both sides would like to see addressed in these forums, work together on task forces, and promote each other as leaders within the organizations. While both countries seem to currently prefer their bilateral interaction, better coordination in these multilateral meetings would be an area for future Korea–India cooperation.

Another possible area for future collaboration could be nuclear safety. Both countries signed a nuclear cooperation deal in 2011 that “paved the way for South Korea-based companies to enter India’s nuclear construction market,” so there could be more bilateral interaction with nuclear energy in the future (Shrivastava 2012, 44, 48). Beyond bilateral relations, both South Korea and India are concerned with nuclear safety. Both countries fear the mismanagement of nuclear materials or weapons in Pakistan and North Korea as well as the potential disaster of those nuclear programs being unsecure during a time of instability. Plus, South Korea hosted the 2012 Nuclear Security Summit and is still doing work to ensure the principles and goals from both Nuclear Security Summits continue and “have called for a ‘long-term vision’ on nuclear security” (Pomper 2012). Thus, India and Korea could decide to do more work together to ensure greater nuclear security in Asia and around the world.

Along similar lines with nuclear safety is dealing with asymmetrical threats. Both India and South Korea deal with neighbors that have employed smaller asymmetrical attacks against them such as terrorism and cyber warfare. This would require much more interaction between the Indian and South Korean defense and security communities than occurs now. However, cooperation among domestic security agencies and police departments are often seen as less threatening toward neighbors like Pakistan, North Korea, and China. Thus, if
desired, dealing with similar asymmetric threats that primarily come from Pakistan and North Korea could be another area for India and South Korea to explore. Moreover, with both countries reliant on trade for goods and energy, piracy in the Gulf of Aden or in the Indian Ocean could be another asymmetric threat over which India and South Korea increase cooperation.

While directly cooperating over asymmetric dangers might not be in the immediate future, South Korea would like to enter into the Indian military acquisition market in the coming years. India wants to enhance its military capabilities through purchasing equipment from other countries. South Korea lost the bid for fighter aircraft trainers for the Indian Air Force but was able to secure a contract for eight minesweepers, which hopefully will be permitted to be fully implemented (Hamisevicz 2012). South Korea does have an advantage in shipbuilding dealing that it hopes to capitalize on with the Indian Navy; furthermore, South Korea’s development of unmanned aerial vehicles could also be another way it can interact with the Indian military (Gallagher 2010, 49). By winning more military contracts in India, South Korea–India strategic relations could continue to grow through the increased interaction of defense officials and companies as well as greater opportunities for dialogue about security needs and interests.

While South Korea and India have good building blocks in place to develop their relationship and pursue any future strategic goals, it seems that the two countries need a big win or project to help create a greater appeal and momentum for the strategic partnership. The POSCO investment in the state of Orissa was thought to be an initial big signal about the Korea–India relationship. Since 2005, POSCO, the South Korea steel company, has been trying to complete the largest foreign investment project in India. However, it is having difficulties finalizing the whole project and dealing with the state of Orissa.
POSCO has passed some hurdles before, but delays and setbacks still hamper the project. On the defense side of the relationship, Korea and India do not have a big joint project or exercise, and there has not been a big military contract to tie the two countries together. The bilateral meetings and the CEPA provide good avenues for steady development of the relationship, but a big win or project would help South Korea and India more quickly move to the next level of their strategic partnership.

**Conclusion**

With the good foundational meetings and connections in place combined with numerous potential areas for future cooperation, there are reasons to be optimistic about the next forty years of diplomatic relations between South Korea and India. With a larger area of influence and increased importance in global affairs, more countries have expanded their engagement with other key countries. The growing interaction between Korea and India is an example of that trend. Their broader interaction increased through economics and carried into more strategic aspects for their relationship. While the strategic interaction has increased, the immediate neighborhood will continue to be a main priority for India and Korea. However, with the growth of Asia, localized problems begin to have an impact beyond its borders. As Korea and India try to enhance their regional and global roles, their strategic partnership and its strategic and defense elements will help both sides define and pursue their shared interests in their respective neighborhoods, across Asia, and around the globe.
References


“India, Korea Coast Guards Participate In Joint Exercise.” 2006. UNI, July 5, www.news.oneindia.in.


In 2013, India and Korea celebrate the fortieth anniversary of diplomatic ties. Subsequently, a “strategic partnership” was officially proclaimed in 2010. This relationship continues to deepen between these states, which are separated but also brought together by the maritime stretches of what is increasingly being termed the Indo–Pacific.

Certainly the rhetoric is strong on this bilateral relationship. India’s ambassador to South Korea Vishnu Prakash noted:

The relationship is firmly anchored in a commonality of mutual interests and outlook. Ours is a problem-free and friendly relationship. We do not have any strategic differences. That can be said about very few countries. We have similar outlooks, similar interests and similar challenges (Prakash 2012).

The aim of this chapter is to look at their respective outlooks, interests, challenges and responses. Consequently, this chapter looks at how a strategic partnership was arrived at in 2010 before turning to profile their converging respective strategic horizons, economics-driven energy security priorities, blue water naval aspirations, concerns over North Korea and concerns over China, and tangible security-defense...
cooperation. The strategic debate is followed through official rhetoric and wider commentarial analysis within both countries.

Towards a Strategic Partnership

As one outside observer noted, India and South Korea “managed to virtually ignore each other for almost half a century following their independence in the late 1940s” (Brewster 2010, 402), a “strategic disconnect” (Panda 2012) in other words. Government officials acknowledge this. Skand Tayal, India’s Ambassador to South Korea from 2008 to 2011, summed it up as how “India–Republic of Korea (ROK) bilateral relations were correct but cool till the end of the cold war” (Tayal 2012a); while South Korea’s Ambassador Lee Joon-gyu similarly noted than “Korea and India began to factor each other’s importance in their strategic calculus only recently” (Lee 2013a). Heads of government meetings only commenced in 1993 with Prime Minister Narasimha Rao’s visit to South Korea and President Kim Young-sam’s visit to India in 1996.

This bilateral relationship has developed momentum during this last decade, initially with an emphasis of economics and trade. A Long-term Cooperative Partnership for Peace and Prosperity was signed in 2004, with a Comprehensive Economic Partnership Agreement (CEPA) coming into force at the start of 2010. However, the relationship has become more than just an economic partnership. It has developed further related strategic, security and defense aspects to it. Back in 2002, Korean and Indian analysts’ prognosis on the relationship was that “they have to pursue policies that place greater focus on strategic rather than economic content, in view of changing geo-political realities … India and Korea make natural strategic partners in this changed international reality” (Lee and Singh 2002, 175). The
politicians picked up this potentiality. As India’s then Foreign Secretary Pranab Mukherjee argued, though “we are now negotiating a Comprehensive Economic Partnership Agreement and our trade is out-performing the targets that have been laid down from time to time”; nevertheless “I am of the firm belief that we need to give strategic orientation to our bilateral partnership in order to take it to the next level” (Mukherjee 2007).

Something of “a turning point” (Lee 2013b) was reached in their relationship, when President Lee Myung-bak’s state visit to India in September 2010 brought the formal announcement of a “strategic partnership.” Significantly, in their joint statement the two leaders placed political and security cooperation, especially in maritime matters (point 11), first in their list of elements for the future relationship (India–South Korea 2010). Manmohan Singh’s state visit to South Korea in March 2012 brought further talk in the joint statement of a “deepening” (India–South Korea 2012) strategic partnership; while Park Geun-hye’s state visit to India in January 2014 brought talk in the joint statement of further “expansion” (India–South Korea 2014) of this strategic partnership.

**Strategic Horizons**

One South Korean commentator reviewing India–South Korea bilateral relationship noted a limiting factor was that “until recently, the regional view of both countries toward Asia has been confined to the relatively adjacent economies, not being able to see a geographically broader spectrum within Asia” (Anh 2012). A broadening of their strategic horizons in geographical terms, with a maritime edge, has underpinned their strategic outreach toward each other. Hence Lee Chung Min’s sense that “the Seoul–New Delhi partnership has all the hall-
marks of becoming a mini–Blue Ocean relationship” (Lee 2011, 162).

Panda describes how “the history of India with the Northeast Asia remained disjointed for almost four decades since the end of the Korea War” (Panda 2012). This situation only began to change with India’s strategic formulation of an “extended neighborhood” (Scott 2009) beyond its immediate neighborhood of South Asia. In such an extended neighborhood, India now claims it has interests to be gained, maintained and if necessary defended. Within government thinking, this strategic and security sense of extended neighborhood generates associated frameworks of policy; a formal ‘Look East Policy’ with regard to Southeast Asia in the mid-1990s, initially through emphasis on economic engagement in Southeast Asia via ASEAN. A criticism by Lakhvinder Singh in 2008 was that India’s Look-East Policy had been “designed to strengthen its engagement with the Asia–Pacific as a whole” but in this focus on Southeast Asia “other regions, especially Northeast Asia, have not received the desired attention from Indian policymakers. This must change” (Singh 2008, 283). He also argued that the economics-emphasis of the Look East Policy needed widening “India should pay special attention to developing closer relations with South Korea and a comprehensive strategy should be designed, which must go beyond the Comprehensive Economic Partnership Agreement (CEPA) to achieve this” (283).

It is precisely such a push by India further eastwards that has brought talk in the last decade of a “Look East 2” (Jyoti 2013) directed at the larger Pacific Asia (Scott 2007; Brewster 2012) to include wider strategic considerations (Muni 2011), maritime focus (Ladwig 2009; Abhjit Singh 2012), and discreet military diplomacy (Westcott 2013) not only in Southeast Asia but also Northeast Asia (Shukla 2012). In a suitable nautical turn of phrase the Indian government describes this as being “India moored in East Asia through an ever enlarging web of relations” (Sanjay Singh 2012). There is an undoubted “China
factor” (Lakshminarayan 2010, 1; Pant 2013) and consequent “soft balancing” (Lakshminarayan 2010, 4) by India in this Look East 2. Within this web of relations, South Korea has emerged as “an important part of India’s Look East Policy” (Anderson 2008); not only for economic reasons but also because in balancing terms South Korea can be added to Iskander Rehman’s 2009 list of countries that are part of “India’s counter-containment of China in Asia” (Rehman 2009, 114), albeit in terms of implicit soft balancing rather than explicit hard balancing.

As India has come toward South Korea with its ‘Look East Policy,’ and growing evocation of the Indo–Pacific as a strategic maritime continuum; so South Korea has come toward India with its ‘New Asia Initiative,’ part of a wider ‘Global Korea’ activism. This South Korean initiative was announced in March 2009 by President Lee Myung-bak (Scarlatiou 2011). Significantly, it was designed to “expand the scope of Korea’s regional cooperation network to security and cultural matters” (Korean Herald 2009), rather than just to its previous primarily economic focus. These wider security matters were brought out by the former Prime Minister Han Seung-soo. He argued that “ensuring a more stable strategic balance in Asia requires a New Look or paradigm shifts within and amongst nations. This New Look is also highly relevant in the context of the growing Korea–Indian relationship” (Han 2011). Han’s talk of “strategic balance” implies some form of balancing in order to restore balance of power equilibrium. He argued that there was further “convergence . . . key intersecting interests” between the two countries; with such mutual interests including “mutual lessons and strategies in coping with two nuclear-armed states in the form of Pakistan and North Korea” (Han 2011, 8), and “maritime security as evinced by the growing importance of the Indian Ocean to the long-term prosperity of East Asia” (Han 2011, 8). The Indian Ocean is of course India’s strategic backyard, but as part of this wider outreach,
South Korea also operates in the Indian Ocean (Alexander 2012).

A further twist in their strategic horizons was the initiation of a Trilateral Strategic Dialogue process in 2012 between India, South Korea and Japan (Panda 2011b). This Track II initiative was interpreted, correctly in India, as organized “with China in mind” (IANS 2012b). The Indian government officially opened the inaugural meeting with comments about the India–South Korea relationship like “the primacy of our efforts must be to maintain maritime trade, energy and economic security in the seas around us”; “there is common commitment to maintaining freedom of the seas, combating terrorism”; “in the South China Sea which today is witnessing competing claims”; “there is indeed a compelling case for us to cooperate on maritime security”; Ministry of External Affairs (India), and “deepening cooperation amongst our defence and security establishments will promote our mutual security” (Sanjay Singh 2012). These are also themes pursued in this chapter with regard to the India–South Korea bilateral relationship.

**Energy Security**

India has important energy security needs, generated by its growing economy. This was highlighted in the so-called ‘Manmohan Doctrine’ enunciated in 2005 by the Indian Prime Minister. In it he highlighted how “our concern for energy security has become an important element of our diplomacy and is shaping our relations with a range of countries” (Singh 2005; Carl, Rai and Victor 2008). These economic-energy issues are also maritime-related (Khurana 2007); since around 95 percent of India’s total external trade is now conducted by sea, with over 70 percent of the country’s oil imports transiting the maritime domain.

This drive for energy security was a key reason driving India’s dispatch westwards of naval forces into the Gulf of Aden in 2008, and
their continuing presence there, alongside similarly deployed South Korean units. Energy security also is one of the reasons bringing India eastwards into the Asia–Pacific, “insecure due to its heavy dependence on the Middle East, it [India] intends to diversify its sources of energy in the East. Hence security of its eastern sea-lines is an imperative that would only strengthen with time for India” (Khurana 2005). Consequently, Indian companies are involved in the oil fields around Sakhalin, and Siberian fields, with energy transported back to India across the Sea Lines of Communication (SLOCs) through the East China Sea and South China Sea. Such SLOC security can also be jeopardized by North Korean missile testing into the Sea of Japan, and rising Chinese assertion of its jurisdiction in the disputed East China Sea and South China Sea waters. India has further energy involvement in the South China Sea (Jha 2013; Amit Singh 2013) through agreements for India’s national energy company to drill for oil in deep water offshore fields 127 and 128, despite these fields also being claimed by China. Hence the comments by India’s Foreign Secretary that “the South China Sea remains crucial to our foreign trade, energy and national security interests” (Mathai 2011; Scott 2013). The main SLOCs then come out of the South China Sea into the India Ocean via the Strait of Malacca choke point. India’s energy import flows from the east are something that can be threatened by piracy and jihadist destabilization of the Strait of Malacca.

South Korea has similarly important economic-driven energy concerns. Its “greatest strategic vulnerability” (Hutchinson 2009) is a “high external dependence” (Bustelo 2008) on energy imports. South Korea imports over 70 percent of its crude oil from the Middle East, where shipments pass through the Indian Ocean on their way to South Korea. Piracy disruption of these SLOCs brought the Korean Navy into action in the Gulf of Aden in 2009, alongside similarly deployed Indian units. In addition, South Korea has growing energy-
related interests in the Indian Ocean—for example involving access to fields in Timor and Myanmar. Most of this Indian Ocean traffic transits through the Strait of Malacca into the South China Sea. Again, like India, South Korea has a strategic interest in not having this choke point disrupted by piracy or Islamist jihadist groupings. Finally, this energy traffic goes through the disputed South China Sea and East China Seas. Like India, South Korea remains concerned about any Chinese imposition of jurisdiction over those waters.

**Blue Water Naval Aspirations**

A further important strategic development for India has been the transformation of its navy from a brown water local coastal force to a blue water oceanic force (Scott 2007–2008), which has been deploying into the South China Sea since 2000, and further afield in the West Pacific since 2007.

India’s naval chiefs have closely picked up on the energy security aspects of the Manmohan Doctrine in such naval deployments in Pacific Asia. With specific regard to India’s energy investments in Sakhalin by the national energy Oil and Natural Gas Corporation (ONGC), Admiral Sureesh Mehta, Chief of Naval Staff in 2006 to 2009, talked about how:

> We are not only looking at countering threats but to protect the country's economic and energy interests. This task has extended our area of operations. This might necessitate our operating in distant waters. As the Indian economy grows, the country is making increasing investments in distant places to ensure the availability of energy flow to maintain this growth. (Times of India 2006)

Similar blue water logic was used with regard to the South China Sea.
The Chief of Naval Staff publicly affirmed in December 2012, while responding to the media questions on India’s involvement in the South China Sea, that “when the requirement is there for situations where the country’s interests are involved, for example ONGC Videsh, we will be required to go there and we are prepared for that” (Vinay Kumar 2012). He also said at the same meeting that the Chinese naval modernization was “a major, major cause for concern” (Vinay Kumar 2012) for India.

A similar blue water drive is apparent with South Korea (Hyun 2010). During the last decade South Korean leaders have reiterated a vision of the Korean Navy expanding beyond its immediate neighborhood of the Korean peninsula. In 2001 President Kim Dae-jung said that “we will soon have a strategic mobile fleet that protects state interests in the five big oceans and play a role of keeping peace in the world” (Korea Times 2001); and in 2008 President Lee Myung-bak pledged that “with a vision for an advanced deep-sea navy, our navy should become a force that can ensure the security of maritime transportation lines, and contribute to peace in the world” (Jin 2008). The South Korean naval modernization and expansion program has meant “it has become a force capable of significant foreign deployment” (Farley 2012). As the world’s eighth largest fleet, it is a substantive maritime partner for India, the seventh largest navy. This was why Mingi Hyun argued that “the potential for greater security co-operation with Japan and India rests largely on South Korea’s navy—by far the country’s most able power projection service” (Hyun 2010).

Such aspirations are bringing South Korea through the South China Sea into the Indian Ocean (Alexander 2012), with its navy deployed since 2009 in the Gulf of Aden against Somali-based piracy (Roehrig 2012a) that threaten to disrupt vital energy-related SLOCs. South Korea’s naval drive is also in part generated as a response to China’s maritime expansion in South Korea’s immediate neighborhood.
and wider waters of the Indo–Pacific. Hence Hyun sense that “although the kind of co-operation discussed between South Korea and India and Japan won’t always be explicitly aimed at China, it’s no secret in the region that the PLAN’s [Chinese Navy’s] build-up is a key driver” (Hyun 2010) for those countries.

**North Korea**

Both India and South Korea have strategic concerns about North Korea, albeit at different levels of intensity. South Korea’s concerns are the more evident, with an increasingly antagonistic and confrontational North Korea looming all the larger for South Korea following the sinking of the ROKs Cheonan in March 2010 and bombardment of Yeonpyeong Island in November 2010. This was magnified by the inflammatory rhetoric employed by the new leadership of Kim Jong-un, which included him threatening in 2013 to tear up the existing Armistice from the Korean War, as well as pursuing missile build-up and nuclear weapons testing. As Lee Joon-gyu noted in a gentle criticism of India, “the North Korean nuclear matter is a very dangerous source of potential conflict. It’s a big threat to the stability of North–East Asia . . . though India is far away, as one of the major powers in this region, India, I think, should pay a little more attention to this (Lee 2013a).

Nevertheless, India has its own “worries” (Roychowdhury 2013) about North Korea. In part this is with regard to the “dangerous counter-trades” (IISS 2002) between India’s foe Pakistan and South Korea’s foe North Korea, which is “a matter of serious concern to India” (Sachdev 2008; Panda 2013). In this so-called “Pakistan–North Korea nexus” (Raman 2003; Malik 2003), assistance given by North Korea to Pakistan’s missile program in the 1990s (Jyoshi 1999) was reciprocated with Pakistan’s help to North Korea’s current drive for nuclear weapons.
capability (Bagchi and Parashar 2013). As India’s former Ambassador to South Korea explained, “India has strong misgivings about the nexus between Pakistan and North Korea (DPRK) on exchanging North Korean missile technology with Pakistan’s uranium enrichment technology. India’s interests converge with those of ROK [South Korea]” (Tayal 2012b, 2). North Korea’s missile program continues to be most noticed in South Korea, but such expansion of North Korea’s missile range now brings India within range of being hit.

China

Certainly both countries cannot overlook what one observer has called the “China factor” (Hamisevicz 2012). China continues to be a staunch ally of Pakistan, has often acted as something of a shield for North Korea over the years, and is a neighbor to both India and South Korea. Here, Indian analysts like Panda argue that “both [India and South Korea] have problematic neighbors in North Korea and Pakistan, China has emerged as a hostile neighbor to both” (Panda 2012, 64). Fellow analysts like Harsh Pant similarly argue that “China’s rise adds urgency to India–South Korea ties” (Pant 2010b).

India is rising from regional power to Great Power status, but in doing so is coming up against China, its neighbor that has risen even faster, and with whom it has existing territorial disputes. There has been a significant general deterioration of China’s image in India. The Pew Global Attitudes Survey showed a collapse in China’s general “favorability” rating in India from 56 percent in 2005 to only 23 percent in 2012 (PGAS 2012, 38). India’s own fears of strategic encirclement by China in its immediate neighborhood may be assuaged by pursuing some degree of counter-encirclement around China’s own periphery of Pacific Asia (Scott 2008; Ministry of External Affairs
[India], Frankel 2011; Malik 2012; Kapoor 2012; Pant 2013). As the Indian government noted, the “military capabilities of China and the manner in which China exercises its power is being followed carefully not only by us but by other neighbors in East Asia” (Mathai 2011). This brings South Korea, as one of China’s neighbors, into view as an element in such a counter-encirclement strategy by India.

South Korea has its own concerns about China, not only because of China’s previous support for the North Korean regime, but also because of China’s own growing shadow in Northeast Asia. China’s very rise raises the prospect of a “China-centered order” (Sutter 2006) for its neighbor South Korea. David Kang may have asked “why has South Korea accommodated China, instead of fearing its growth and balancing against it?” to which he reckoned that “South Korea sees substantially more economic opportunity than military threat associated with China’s rise; but even more importantly, South Korea evaluates China’s goals as not directly threatening” (Kang 2009, 1; Chung 2006). However, Kang’s analysis on perceptions has been overtaken by events. In his study on the “calculus of fear” about China in the region, Khoo correctly argued that at both elite and public levels “fears about China’s rise are present and rising in South Korea” (Khoo 2011, 105). Pew Global Attitudes Survey findings show strong South Korean reaction to China’s military expansion. Over the question of “China’s growing military power,” figures of 91 percent were recorded in 2013 for considering it “a bad thing” (PGAS 2013, 33). This was compounded by China’s military assertiveness in the East China Sea and South China Sea, leaving 77 percent of South Korean respondents feeling that such disputed territorial issues involving China were a “big problem” (PGAS 2013, 32) for South Korea.

In addition, “there are several specific maritime disputes that have aggravated ROK–Sino ties over the past decade or so and have fuelled arguments for continued growth of South Korea’s ocean-going
navy” (Roehrig 2012b, 69). In geopolitical and naval terms South Korea uncomfortably faces China across the Yellow Sea/Western Sea and East China Sea, with disputed Exclusive Economic Zone (EEZ) claims in both areas between China and South Korea. Meanwhile tangible confrontations have come over Chinese fishermen in South Korean EEZ waters. The South Korean media considered headlines in the Chinese media “Don’t Take Peaceful Approach for Granted” (Global Times 2011) as “belligerent” (Chosun 2011). There is a further jurisdictional conflict over Ieodo/Suyan Reef in the East China Sea. China’s unilateral declaration in November 2013 of a larger Air Defense Identification Zone (ADIZ) in the East China Sea, and which included Ieodo, was not only rejected by South Korea; but Seoul then went on the following month to conduct sea and air drills around Ieodo, and to announce an extension its own existing ADIZ down into parts of the East China Sea covered by China’s recently extended ADIZ. The announced build-up of nearby Jeju Island was seen in the Indian media (Times of India 2012) in China-centric geopolitical terms. As a piece, in effect, of “internal balancing,” Roehrig rightly argues that South Korea’s “shipbuilding program and the construction of the naval base on Jeju Island are occurring in part with an eye toward China’s future strategic direction” (Roehrig 2012b, 76; Yeo 2013).

However, internal balancing is not enough for South Korea, given China’s much greater military strength. Seoul has to externally balance as well. As one South Korean commentator delicately explained: “for the ROK, the rise of China and the decline of the U.S. are both strategically uncomfortable developments” (Yoon 2012, 94). But South Korea can compensate for this U.S. decline by seeking other lines of support. Thus, even as the United States moves toward a degree of disengagement from the Asian mainland, South Korea is looking for alternative sources of support. The strategic logic is clear, “New Delhi’s view is that South Korea’s increasing engagement with India
arises from the former’s [South Korea’s] need to reduce its dependence on China” (Srinivasan-Raghavan 2013; Gallagher 2010, 43). If, as argued by Kim and Singh, “with Indian influence on the rise, a new factor has been introduced into the balance of power system in East Asia” (Kim and Singh 2005, 128), then countries like South Korea can factor that into their own soft balancing attempts to maintain a balance of power equilibrium, and thereby avert Chinese regional hegemony. India has the advantage of weight for South Korea, without the complications of history and disputed territory that Japan offers. Indeed, if “both South Korea and India must also tackle the challenge of how to deal with a rising China” which poses “a latent security challenge, particularly in the maritime realm” (Jaishankar 2012, 3) the logic is if that is where the challenge lies, then the response should also lie in that area, enhanced maritime cooperation between India and South Korea. Chung Min Lee argued that “how Seoul chooses to manage the rise of both China and India can be seen as a litmus test for determining how it will define and align itself in the emerging Asian balance of power” (Lee 2011, 163). What seems apparent is that Seoul is prudently using a rising India as a balancing factor toward China.

Admittedly, both India and South Korea are involved in some engagement of China, with China becoming the biggest trading partner for both countries; but yet both India and South Korea are involved in strategic hedging towards China (Han 2008). As such, hedging involves elements of balancing alongside these elements of engagement. This was why South Korea’s former Prime Minister Han considered that “India has always perceived itself as a great power that both engages but also checks Chinese influence” (Han 2011, 9). The balancing currently being carried out by both India and South Korea with regard to China is both internal balancing of building up their own military forces to reduce the gap with China, and also external balancing. The
external balancing is not the hard containment variety of explicit military alliances explicitly naming China; rather it is the soft understandings and cooperation variety, which nevertheless have implicit China-related aspects. Arguments in India that “India–South Korea defence relations won’t impact China ties” (IANS 2012a) ignore the subtler point that the implicit unstated China-centric nuances surrounding India–South Korean strategic and defense cooperation do send a message to Beijing to the mutual benefit of both New Delhi and Seoul in their dealings with China.

Security and Defense Cooperation

Given this real strategic convergence outlined with regard to their strategic horizons, economics-driven energy security priorities, blue water naval aspirations, concerns over North Korea, and concerns over China, it is not surprising to see developing security and defense cooperation between India and South Korea. These already outlined overlapping strands lie behind Lee’s argument that South Korea and India were working together on “maritime security, freedom of navigation, maintaining stable balance of power” (Lee 2013b). This is similar to Mohan’s sense that “there is growing recognition in both capitals that promoting maritime security in the Indo–Pacific and the structuring of a stable Asian balance of power demand stronger security cooperation between India and South Korea” (Mohan 2013).

Defense cooperation preceded the proclamation of the “strategic partnership” in 2010, in which both countries had signed a Memorandum of Understanding (MoU) on Cooperation in Defense Logistics and Supplies in 2005. This has led to joint development of self-propelled artillery and mine-countermeasure vessels. South Korea’s shipbuilding prowess is of interest for India’s own naval construction program. The
2005 MoU was followed by another MoU in March 2006 concerning cooperation between their Coast Guards. In May 2007, officials from Indian ministry of external affairs and officials from South Korean ministry of foreign affairs and defense ministers held their first ever consultations on ‘matters of mutual interests’ and agreed to strengthen cooperation on training of armed focus personal exchange of visits.

The “strategic partnership” announced in January 2010 at the heads of government meeting was reinforced still further that year with the trip to South Korea by Defense Minister Arackaparambil Antony in September, considered as unofficially “China-centric” (Sharma 2010; Pant 2010a). Antony’s trip, the first by an Indian defense minister to South Korea, “demonstrated . . . the convergence of security interests between India and the ROK” (Panda 2011a, 17). The Indian government emphasized the trip’s importance as “part of India’s Look East Policy” delivering “a major boost” in defense cooperation (India 2010a). Official concerns were recorded about North Korea, and what the Indian government called two further “landmark MoUs” were signed (India 2010b). The first envisaged increasing exchanges of defense personnel, education, training, visits, and exercises of ships and aircrafts. The second MoU sought to identify future joint research, development, and production of defense products. Some areas of immediate interest such as marine systems, electronics and intelligent systems were identified as priority tasks. One commentator judged “this is the most important aspect of the MoU and has important implications for the future direction of India–ROK military and strategic cooperation” (Panda 2011, 19).

Defense and security convergence has continued between the two strategic partners. In 2012, the “highlight” of the Heads of Government meeting was to announce further defense and space cooperation and voice concerns about North Korea’s planned rocket launch (Korean Herald 2012). Admittedly, South Korea lost its bid to supply India’s
air force with 75 new trainers in 2012. Nevertheless, June 2012 saw naval cooperation taking a further step forward when four Indian naval vessels participated in a joint exercise with the Korean Navy at Busan. In 2012 one commentator had judged that “high-level military dialogues may be a step too far for now” (Jaishankar 2012, 3); but that was a step taken in May 2013 when the Chairman of Chiefs of Staff, Air Chief Marshal N.A.K. Browne, headed a senior level tri-service Indian delegation to South Korea. This involved discussions on expanding bilateral cooperation as well as regional and international issues of interest; interspersed with visits to South Korea’s military operations and training establishments, as well as defense industries. This trip was followed by the National Security Advisor Shivshankar Menon in July, the first such visit by an Indian national security advisor, with agreement reached to share intelligence on the nuclear proliferation activities of North Korea and Pakistan (Kim 2013). Menon’s reported comments were that India and South Korea had “a similar stance on and goals for . . . regional security and maritime security” and that he looked forward to the two countries working “together in the defense industry sector,” with the reminder on “cooperation for coproduction and co-development going beyond simple trade relations” (Korea 2013).

**Conclusion**

This chapter finds that India–South Korea relations have developed both a strategic and related security-defense edge that has taken the relationship beyond the practical economics of trade and finance. It continues to indeed “deepen” (Kumar 2012). There is some substance behind the rhetoric of strategic partnership, although they have a common range of concerns they do not necessarily give them
the same weight; “despite the strategic partnership, India and South Korea have often seemed uneasy getting more involved in each other’s most important security concerns, Pakistan and North Korea respectively” (Hamisevicz 2012). However, there needs to be a sense of balance. Some advocates overestimate its importance. Shukla’s argument that “India Korea strategic cooperation is critical to the region” (Shukla 2012) is questionable. In terms of relationships the India–South Korea one is not the central relationship, overshadowed as it is by the larger roles played by the United States, China, and Japan (and perhaps Russia) who are more critical to the state of affairs in Northeast Asia. Moreover, the India–South Korea strategic partnership is not the central partnership for either party. South Korea’s alliance with the United States is more important for South Korea, as is its relationships with Japan and China. Meanwhile for India, its strategic partnerships with the United States and with Russia at the global level and with Japan at the regional level are more important than its strategic partnership with South Korea. Brewster’s encapsulation was that South Korea was “a useful friend” (2010) for India in East Asia. This can now be adjusted in two ways. First, they are in fact useful partners for each other. Second, their partnership impacts not only in East Asia, but also in South Asia and the intervening wider Indo–Pacific maritime stretches. The strategic partnership and associated security-defense cooperation continues to deepen.

References


______. 2012. “Pushing the Korea–India Strategic Partnership Forward.” The Peninsula (KEI), March 27, at www.blog.keia.org.


India. 2010a. “Antony to Go on a Two-Day Visit to South Korea.” Press Information Bureau, September 2, at www.pib.in.


Kumar, V. 2012. “We’ll Send Force to Protect Our Interests in South China Sea, Says Navy Chief.” The Hindu, December 3.


Appendix I

Major Agreements/MoUs signed between the Government of India and the Government of ROK*

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Details of Agreements/MOU</th>
<th>Date/Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agreement between the Government of India and the Government of the ROK on Trade Promotion, Economic and Technical Cooperation</td>
<td>August 12, 1974 Seoul</td>
</tr>
<tr>
<td>2</td>
<td>Cultural Agreement between the Government of India and the Government of the ROK</td>
<td>August 12, 1974 Seoul</td>
</tr>
<tr>
<td>4</td>
<td>Air Services Agreement between the Government of the ROK and the Government of India</td>
<td>March 16, 1992 Seoul</td>
</tr>
<tr>
<td>5</td>
<td>Agreement on Tourism Cooperation between the Government of the ROK and the Government of the Republic of India</td>
<td>September 10, 1993 Seoul</td>
</tr>
<tr>
<td>6</td>
<td>MoU on Science and Technology Cooperation between the Ministry of Science and Technology of the Government of the ROK and the Department of Science &amp; Technology of the Government of the Republic of India</td>
<td>September 10, 1993 Seoul</td>
</tr>
<tr>
<td>9</td>
<td>MoU between the Ministry of Information and Communication of the ROK and the Ministry of Communications, Govt. of the Republic of India on Cooperation in the Field of Telecommunications</td>
<td>September 7, 2001 Seoul</td>
</tr>
</tbody>
</table>

*Source: embassy of India, Seoul South Korea.
<table>
<thead>
<tr>
<th>S. No.</th>
<th>Details of Agreements/MOU</th>
<th>Date/Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>MoU between the Ministry of Commerce &amp; Industry of the Republic of India and the Ministry of Commerce, Industry &amp; Energy of the ROK in the Field of Investment Promotion</td>
<td>October 14, 2003 Seoul</td>
</tr>
<tr>
<td>11</td>
<td>Treaty of Extradition between the Republic of India and the Republic of Korea</td>
<td>October 5, 2004 New Delhi</td>
</tr>
<tr>
<td>12</td>
<td>Treaty of Mutual Legal Assistance in criminal matters between the Republic of India and the Republic of Korea</td>
<td>October, 2004</td>
</tr>
<tr>
<td>14</td>
<td>Agreement between the Government of the Republic of India and the Government of Republic of Korea on exemption from visa requirement for Diplomatic and Official Passport Holders</td>
<td>Effective from October 3, 2005</td>
</tr>
<tr>
<td>15</td>
<td>Agreement between the Government of the Republic of India and the Government of Republic of Korea concerning co-operation and mutual assistance in customs matters</td>
<td>February 7, 2006 Seoul</td>
</tr>
<tr>
<td>16</td>
<td>Agreement between the Government of the Republic of India and the Government of the Republic of Korea on cooperation in the fields of Science and Technology (In supersession to the MoU on S&amp;T signed in Seoul on March 5, 1976)</td>
<td>February 7, 2006 Seoul</td>
</tr>
<tr>
<td>17</td>
<td>MoU between Indian Coast Guard and Korean Coast Guard for the establishment of a collaborative relationship to combat transnational crime and develop regional co-operation between Indian Coast Guard and Korean Coast Guard</td>
<td>March 13, 2006 New Delhi</td>
</tr>
<tr>
<td>18</td>
<td>Cultural Exchange Programme (CEP) between the Government of the Republic of India and the Government of the Republic of Korea for the years 2009–2012</td>
<td>September 2, 2009 Seoul</td>
</tr>
<tr>
<td>19</td>
<td>Comprehensive Economic Partnership Agreement (CEPA) between India and Republic of Korea</td>
<td>August 7, 2009 Seoul</td>
</tr>
<tr>
<td>S. No.</td>
<td>Details of Agreements/MOU</td>
<td>Date/Place</td>
</tr>
<tr>
<td>-------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>21</td>
<td>MoU between the Ministry of Communications and Information Technology (Department of Information Technology) of the Republic of India and the Ministry of Knowledge Economy of the Republic of Korea on Cooperation in Information Technology and Services</td>
<td>January 25, 2010 New Delhi</td>
</tr>
<tr>
<td>23</td>
<td>MoU between Indian Space Research Organization (ISRO) and Korea Aerospace Research Institute (KARI) for Cooperation in the Peaceful Uses of Outer Space</td>
<td>January 25, 2010 New Delhi</td>
</tr>
<tr>
<td>24</td>
<td>MoU between the Ministry of Knowledge Economy of the Republic of Korea and the Ministry of Commerce and Industry of the Republic of India on the establishment of Technical Level Expert Group on Trade Remedy Instruments to Promote Mutual Cooperation</td>
<td>January 25, 2010 New Delhi</td>
</tr>
<tr>
<td>25</td>
<td>MoU between Ministry of Micro, Small and Medium Enterprises (MSME) of the Republic of India and Small and Medium Business Administration (SMBA) of the Republic of Korea on Cooperation in the Field of Small and Medium Sized Enterprises.</td>
<td>June 18, 2010 Seoul</td>
</tr>
<tr>
<td>26</td>
<td>MoU on Cultural Cooperation between Indian Council for Cultural Relations (ICCR) and Korea Foundation</td>
<td>June 18, 2010 Seoul</td>
</tr>
<tr>
<td>27</td>
<td>MoU on Cooperation between the Indian Council of World Affairs (ICWA) of the Republic of India and The Institute of Foreign Affairs and National Security (IFANS) of the Republic of Korea</td>
<td>June 18, 2010 Seoul</td>
</tr>
<tr>
<td>S. No.</td>
<td>Details of Agreements/MOU</td>
<td>Date/Place</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------------------------------------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>29</td>
<td>MoU between the Ministry of Defence of the Republic of India (Defence Research &amp; Development Organization, DRDO) and the Ministry of National Defence of the Republic of Korea (Defence Acquisition Program Administration, DAPA) concerning Research and Development Collaboration</td>
<td>September 3, 2010 Seoul</td>
</tr>
<tr>
<td>30</td>
<td>MoU between the Korea Meteorological Administration (KMA) of the ROK and the Ministry of Earth Sciences of the Republic of India for Cooperation in the field of Earth Science and Services</td>
<td>September 29, 2010 New Delhi</td>
</tr>
<tr>
<td>31</td>
<td>Agreement on Social Security between the Republic of India and the Republic of Korea</td>
<td>October 19, 2010 Seoul</td>
</tr>
<tr>
<td>32</td>
<td>MoU between Korea Institute of Science &amp; Technology (KIST), ROK and Department of Science &amp; Technology (DST), Govt. of Republic of India</td>
<td>May 2011 Seoul</td>
</tr>
<tr>
<td>36</td>
<td>MoU on Mutual Cooperation between the Foreign Service Institute (FSI), Ministry of External Affairs, the Republic of India and the Korea National Diplomatic Academy (KNDA), Ministry of Foreign Affairs and Trade, the Republic of Korea</td>
<td>March 21, 2012 Seoul</td>
</tr>
<tr>
<td>38</td>
<td>MoU between the Election Commission of India and the National Election Commission of the Republic of Korea</td>
<td>August 1, 2012 New Delhi</td>
</tr>
</tbody>
</table>
Appendix II

Agreements signed on January 16, 2014 during President Park Geun-Hye’s visit to India*

1. Agreement on the Protection of Classified Military Information
ROK and India agree to cooperate in the field of defence and to ensure the protection of classified military information exchanged under this agreement. Signatories were Defence Minister of India Shri A K Antony and ROK Foreign Minister Mr. Yun Byung-se.

2. Implementing Agreement for Cooperation in the Peaceful Uses of Outer Space
Indian Space Research Organisation (ISRO) and Korea Aerospace Research Institute (KARI) agree to promote the peaceful uses of outer space in the interests of international cooperation at regional and global level. Signatories were Dr. K Radhakrishnan, Chairman of ISRO & Secretary, Department of Space and Kim Seung-Jo, President of KARI.

3. MoU on a Joint Applied Research and Development Programme in Science and Technology
ROK's Ministry Of Science, ICT and Future Planning and India's Ministry Of Science And Technology agree to develop further cooperation in the field of prospective technologies for the common benefit of the two countries by involving industry-academia-institute partnerships for translational research leading to the practical application of research and development (R&D) findings, and to cooperate in a joint applied research and development program.

*Source: Embassy of India, Seoul, South Korea.
Signatories were India’s External Affairs Minister Shri Salman Khurshid and ROK’s Minister of Science, ICT and Future Planning Mr. Choi Mun-Kee.

4. **Cultural Exchange Programme for the years 2014–2017**
   India and ROK agree to enhance cooperative activities under the Cultural Agreement concluded between the governments of the two countries on 12 August 1974. Signatories were Shri Ravindra Singh, Secretary, Ministry of Culture and Ambassador of ROK in India Dr. Lee Joon-Gyu.

5. **MoU on the Establishment of Nalanda University**
   India and ROK agree to cooperate in reviving Nalanda University as an international institution that will advance the concept of an Asian community by bringing together future generations in a common objective of making new discoveries of old relationships to realize a unity of minds. Signatories were Shri Vishnu Prakash, Ambassador of India to ROK and Dr. Lee Joon-Gyu, Ambassador of ROK in India.

6. **Agreement on Cooperation between Doordarshan and Korea International Broadcasting Foundation (Arirang TV)**
   Both sides agree to develop and strengthen mutual friendly relations in the field of Broadcasting with the aim of leading to greater understanding between the two countries. Signatories were Shri Tripurari Sharan, Director General, Doordarshan and Ms. Shon Jie-ae, CEO, Arirang TV.

7. **Joint Declaration of Intent on Cooperation in the field of Information and Communications Technology**
   India’s Ministry of Communications & IT and ROK’s Ministry of
Science, ICT And Future Planning signed a declaration of intent to promote, facilitate and support joint ventures, joint initiatives and markets in the ICT sector. Signatories were India’s Minister of Communications & IT Shri Kapil Sibal and ROK’s Minister of Science, ICT and Future Planning Mr. Choi Mun-Kee.

8. **MoU on Cooperation and Information Exchange for Development of an Arrangement for Mutual Recognition of Certifying Authorities**

India’s Controller of Certifying Authorities (CCA) under Ministry Of Communications & IT and ROK’s Korea Internet & Security Agency (KISA) signed an MoU to develop cooperation between the parties for facilitating development of an arrangement which will provide such Mutual Recognition of the certifying Authorities of the two countries. Signatories were Shri T. A. Khan, Controller of Certifying Authorities and Mr. Jin-Soo Lim, Vice Head of Korea Certification Authority Central, Korea Internet & Security Agency.

9. **MoU on Cooperation in the field of Cyber Security**

Indian Computer Emergency Response Team (CERT-In) under Ministry Of Communications & IT and ROK’s Korea Computer Emergency Response Team Coordination Center (KRCERT/Cc) of Korea Internet & Security Agency (KISA) signed an MoU to develop cooperation between the Parties in the area of Information Security to deter cyber threats and to further improve computer security readiness and raise awareness around the importance of keeping systems secure, and security practices and procedures current and up to date. Signatories were Dr. Gulshan Rai, DG (CERT-In) and Mr. Kijoo Lee, President (KISA).
About the Authors

Harsh V. Pant is a professor in International Relations at King’s College in London, UK. He is also Associate Instructor at the Centre for Science and Security Studies at the college. He is an adjunct fellow and the Wadhwani Chair in U.S.–India Policy Studies at the Center for Strategic and International Studies in Washington D.C. He has been a Visiting Professor at the Indian Institute of Management in Bangalore (India); Visiting Fellow at the Center for the Advanced Study of India at the University of Pennsylvania (USA); Visiting Scholar at the Center for International Peace and Security Studies at McGill University (Canada), and Emerging Leaders Fellow at the Australia–India Institute at the University of Melbourne (Australia). His current research is focused on Asian security issues. His most recent books include China Syndrome: Grappling with an Uneasy Relationship (HarperCollins 2010), The U.S.–India Nuclear Pact: Policy, Process and Great Power Politics (Oxford University Press 2011), and The Rise of China: Implications for India (Cambridge University Press 2012). Pant also writes regularly for several media outlets including the Wall Street Journal, the Japan Times, the Straits Times, the National, and Business Standard.

Surjit Mansingh presently teaches at American University in Washington D.C. She was formerly Professor of International Politics at Jawaharlal Nehru University in New Delhi, and Chairperson of the Centre for International Politics in the School of International Studies. She received her Bachelor and Master of Arts degrees from Delhi University, and her Doctoral degree in International Studies at American University. She has taught in different institutions in India, the United States, and Europe, and was a member of the Indian Foreign Service before joining academia. She is the author of numerous academic papers and several books, including The A to Z of India (Rowman & Littlefield 2010), India’s Search for Power (Sage 1984); co-author of Diplomatic History of Modern India (Allied 1972); and editor of Prospects for India United States Relations (India Habitat Centre 2000), Indian and Chinese Foreign Policies in Comparative Perspective (Radiant Press 1998), and Nehru’s Foreign Policy: Fifty Years On (Mosaic Press 1997).
**Chang Kwoun Park** a retired South Korean Navy Captain, is a senior research fellow at the Centre for Security and Strategic Studies at the Korea Institute for Defence Analyses (KIDA). He graduated from the Republic of Korea Naval Academy in 1981, and received his Doctoral degree in political science from the University of Missouri (USA). He worked at the policy and strategy division of the Ministry of National Defence and Joint Chief of Staff, and commanded patrol ships and LST in the Navy. He joined KIDA in 2003. At KIDA, he worked as a director of the Centre for Security and Strategic Studies, and was the Chief of Defence Strategy Studies. He has published the annual report on Korea’s Security and Defence Strategy since 2009 with his team. He is author of several books, including *Future of the U.S.–China Relations and ROK’s Security* (2010), *Mid- and Long Term Security Strategy of South Korea and Future Directions for Its Defence Development* (2011), and *Strengthening Extended Deterrence for the ROK–U.S. Alliance* (2012), and articles on ROK defence cooperation and strategy.

**Rajiv Kumar** is the convener of the India–Korea Research Association and a doctoral candidate in the Department of East Asian Studies at Sungkyunkwan University in Seoul, Korea. He also teaches at Busan University of Foreign Studies. He received his Bachelor’s degree from Delhi University in India, and a Master’s degree in East Asian Studies from Sungkyunkwan University. He has been an affiliate scholar at the East West Center at the University of Hawaii, Honolulu, USA. He studied the Korean language at the Department of East Asian Studies, Delhi University and at the Sungkyun Language Institute (SLI), Sungkyunkwan University. Since 2008, he has been involved in the “Brain Korea 21” research project—an interdisciplinary project for human resource development in East Asian Studies, sponsored by Korea’s Ministry of Education and Human Resources Development—where he has submitted a number of research findings on, for example, *India’s Look East Policy and its Implications for Korea; Power, Interest, and Identity in Explaining East Asian Economic Regionalism; and The Role of India and Korea in East Asian Regionalism*. He has traveled extensively around the Asia Pacific, and has presented academic research papers in the United States, Russia, China, Taiwan, Thailand, South Korea, India and Germany. He is a frequent contributor of articles on Korean and East Asian issues to professional journals and news outlets.

**Sukjoon Yoon** is currently a senior research fellow at the Korea Institute for Maritime Strategy (KIMS), and a visiting professor at the department of Defense Systems Engineering at Sejong University in Seoul, South Korea. He is also a retired navy captain. At present, he is a member of the Executive Research Committee of the SLOC Study.
Group in Korea and a member of the Advisory Committee of the Korea National Diplomatic Academy. His more than thirty years of commissioned service include thirteen years at sea as Surface Warfare Officer, as well as several command and staff appointments. He has served as Director of Maritime Strategy Studies at the Naval War College, Senior Lecturer at the Naval Academy, Commanding Officer of the ROKS WONSAN (DD-560), Director of Policy Division at ROKN Headquarters, and as Adjunct Professor of the Center for Chinese Studies, IFANS, MOFAT in Seoul. He graduated from the Naval Academy in 1976 from the Commander’s Course of the Naval War College in Korea. He holds a Master of Arts degree in Chinese politics from Fu Hsing Kang College of National Defense University (Taiwan) and also holds a Doctoral degree in international politics from Bristol University (UK). He has written on various issues, and especially on South Korea’s relations with and policy toward China.

LAKHVINDER SINGH is Visiting Professor at the Institute of Far Eastern Studies in Seoul. He received his Master’s degree from Punjab University in Chandigarh (India), and PhD from both Jawaharlal Nehru University in New Delhi and Sungkyunkwan University in Seoul. He received a Senior Executive fellowship from Harvard University in the United States. Before joining the IFES he was affiliated with the Institute of Foreign Affairs and National Security as well as the Institute of Social Science Research. He is the recipient of various awards and fellowships, including awards from the Korea Foundation, the Asia Foundation, and Brain Korea 21. He serves as president of the India–Korea Policy Forum and editor-in-chief of the South Korean-published Asia–Pacific Business & Technology Report. A specialist in Asian security and pioneer in promoting India–Korea strategic cooperation, he has written on various issues including India–Korea Strategic Cooperation, System Change in the Asia–Pacific Region, the Role and Structure of US forces in Korea, and Economic Reforms in North Korea and India. He publishes regularly in Korean and Indian print media, and has travelled widely to present at conferences and discuss his work, including in the United States, Japan, Philippines, and Mongolia.

CHOONG-YONG AHN is currently the Chairman, National Commission for Corporate Partnership. He served as Foreign Investment Ombudsman responsible for resolving grievances raised by foreign investors in Korea. He is the former Chairman of the Presidential Regulatory Reform Committee (2010–2012). He is also Distinguished Professor of the Graduate School of International Studies at Chung-Ang University.
He has served as President of the Korea Institute for International Economic Policy (2002–2005); Chair of the APEC Economic Committee; Chair of the Board of Chohueung Bank; consultant to the World Bank; UNIDO Chief Technical Advisor to the Economic Planning Unit of Malaysia; and president of several academic societies in Korea, including the Korea International Economics Association, the Korean Association of Trade and Industry Studies, and the Korea Econometric Society. His honors include the Economist of the Year Award from the Maeil Business Daily Newspaper in Korea, the Okita Policy Research Award from the National Institute for Research Advancement in Japan, and the Free Economy Publication Award by the Federation of Korean Industries. He received his PhD from Ohio State University. Dr. Ahn has published many articles in international journals including the *Review of Economics and Statistics*, *European Economic Review*, *Japanese Economic Review*, and *Journal of Asian Economics*. His monographs have been published by North-Holland, Cambridge University Press, Springer, and Edward Elgar.

Changhee Park is Associate Professor in the Military Strategy Department at the Korea National Defense University (KNDU) in Seoul, Korea. He received his Master of Arts degree in National Security Affairs from the Naval Post-graduate School in Monterey, California, and his Doctoral degree from Korea University in Seoul. He was a member of Executive Course #04-1 at the Asia–Pacific Center for Security Studies in Honolulu, Hawaii. He was also Chief of Military Affairs in the Research Division at the Research Institute of National Security Affairs (RINSA) for three years. He has participated in several research projects on Korean defense issues, and has provided policy recommendations to the Ministry of National Defense and the ROK JCS pertaining to defense policy and military strategy. His areas of research interest are China’s military affairs, war and strategy, and national security affairs. His writings include articles in Korean and English on military strategy, Chinese geostrategic vulnerability and military intervention, Sino–Russian relations, and Chinese military strategy, to name a few.

Jae Hung Chung is Assistant Professor at the Institute for Far Eastern Studies (IFES), Kyungnam University in Seoul. He received a Bachelor’s degree from Peking University (China), Master of Arts at Sogang University (South Korea), and a PhD from the Chinese Academy of Social Science Institute of World Politics & Economics (China). He is an expert in Sino–North Korea security relations and Korean peninsula security affairs, especially on issues related to Chinese diplomatic and military security, and ter-
NICHOLAS HAMISEVICZ is Director of Research and Academic Affairs at the Korea Economic Institute of America (KEI) based in Washington D.C. He is responsible for taking note of issues affecting the U.S.–South Korea alliance, especially issues related to North Korea, and tasked with leading KEI’s efforts to connect policy and the academic community. Prior to joining KEI, he was a research associate in the Asian Studies Center at The Heritage Foundation, providing research analysis on the political and security affairs in Asia, especially regarding China, Korea, and South Asia. He was a co-author for Heritage’s publication of “Key Asian Indicators: A Book of Charts.” Mr. Hamisevicz has visited Asia several times, including a recent trip to North Korea. He has traveled twice to Taiwan as the lead liaison for The Heritage Foundation’s democracy building initiative at many Asian conferences. He earned a Master of Arts degree in International Communication from American University in Washington, DC and a Master of Arts degree in International Studies from Korea University in Seoul, South Korea. He graduated Summa Cum Laude with a Bachelor of Arts degree in Communication Studies from West Virginia Wesleyan College in Buckhannon, West Virginia.

DAVID SCOTT is a lecturer at Brunel University in the UK. His teachings and interests focus mainly on Asia–Pacific international relations, with emphasis on the rise of India and China, but also include regionalism, geopolitics, and the emerging concept of the “Indo–Pacific.” He has also been a regular participant at the NATO Defense College in Rome, Italy, with presentations on India’s rise as a regional power, and on Northeast Asian security matters between China, Japan and the Koreas. He has written four books and numerous articles on these topics in journals such as International Relations of the Asia–Pacific, India Review, Asian Survey, Asia–Pacific Review, Geopolitics, Journal of Military and Strategic Studies, and International Studies, among others.
Index

A
A2/AD strategies 231
Afghanistan 61, 73, 90, 138, 288
Afro-Asian cooperation 87
Air Defense Identification Zone (ADIZ) 36, 120, 237, 317
Al-Qaeda terrorism 79
anti-access/area denial (A2/AD) 229
A. P. J. Abdul Kalam 33
Arackaparambil Antony 320
ASEAN Free Trade Area (AFTA) 88
ASEAN Ministerial Meeting (AMM) 97
ASEAN Plus One (ASEAN and China) 94
ASEAN Plus Three (APT) 21, 88
Asia Pacific Economic Cooperation (APEC) 61
Asian architecture 61
Asian century 283
Asian Development Bank (ADB) 218
Asian financial crisis 41, 50, 94, 189, 195, 210
Asian Monetary Fund (AMF) 89
Asian Regional Forum (ARF) 59
Asian Relations Conference 59
Asian Security 41

B
balance of power 16, 22, 27, 32, 34, 38, 117, 151, 155, 160, 171, 173, 228, 248, 259, 275, 309, 318, 319
balance of trade 48, 53
Barack Obama administration 38
Bilateral Economic Linkages 215
bilateral relationship 31, 33, 52, 73, 95, 133, 155, 204, 221, 222, 292, 305, 306, 307, 310
Bill Clinton 269
blue water 305, 312, 313, 319
BRICS 42, 203
Buddhism 43, 100, 284

C
California 117
Cambodia 26, 95, 97, 108, 194
Canada 44, 105, 194, 218, 220
Caroline Marshall 152
charm diplomacy 165
Cheonan 36, 67, 75, 158, 239, 241, 243, 268, 314
Cheonghae Naval Task Force 134
China Challenge 27
China–Japan relations 95
China’s economic rise 179
China’s military strategy 228, 229, 230
China’s rising military capabilities 240
Chinese Dream 129, 133
Chinese expansionism 138, 166
Chinese leadership 126, 253
Chinese Ministry of Defense 251, 256
Chinese threat 248, 270
civil nuclear cooperation 42, 52, 176
collective defense pacts 87
climate change 103, 156
Comprehensive Economic Cooperation Agreement (CECA) 207
conventional deterrence 76
currency swap cooperation 108
cutting-edge technologies 150

D
Davos 136, 143
Defense Research and Development Organisation (DRDO) 35
demilitarized zone (DMZ) 45
Deng Xiaoping 127, 228, 251
denuclearization 68, 70, 71, 74, 80
Doha Round 186
Doing Business Index (DBI) 213
Dokdo islets 73, 76
DPRK 41, 46, 57, 315
Dwight Eisenhower 45

E
East Asia Climate Partnership Fund 103
East Asian Community 95
East Asian Economic Community 104
East Asian regionalism 103
East Asian Summit (EAS) 21, 60, 89, 122, 128
East Asian Vision Group (EAVG) 103
East China Sea 79, 97, 120, 137, 153, 231, 236, 237, 249, 256, 268, 311, 312, 316, 317
East China Sea Air Defense Identification Zone (ADIZ) 153
East Sea 36, 76, 153
economic cooperation 22, 32, 83, 94, 98, 186, 187, 264
economic development 30, 63, 78, 124, 141, 156, 158, 165, 185, 187, 190, 196, 198, 210, 215, 236, 254, 255, 256, 257, 266
elections 43
energy security 60, 89, 202, 305, 310, 312, 319
engagement 25, 32, 37, 41, 57, 75, 85, 92, 99, 101, 102, 103, 109, 123,
<table>
<thead>
<tr>
<th>Term</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>guided capitalism</td>
<td>47</td>
</tr>
<tr>
<td>Gulf of Aden</td>
<td>35, 134, 242, 288, 300, 310, 311, 313</td>
</tr>
<tr>
<td>H</td>
<td></td>
</tr>
<tr>
<td>Hainan Island</td>
<td>238</td>
</tr>
<tr>
<td>Han Seung-soo</td>
<td>309</td>
</tr>
<tr>
<td>Heavy and Chemical Industry (HCI)</td>
<td>191</td>
</tr>
<tr>
<td>hedging</td>
<td>61, 263, 318</td>
</tr>
<tr>
<td>hegemonic expansion</td>
<td>166, 167</td>
</tr>
<tr>
<td>hegemonic states</td>
<td>106</td>
</tr>
<tr>
<td>hegemony</td>
<td>16, 29, 30, 117, 258, 265, 274, 275, 318</td>
</tr>
<tr>
<td>Hermit Kingdom</td>
<td>43</td>
</tr>
<tr>
<td>Hillary Clinton</td>
<td>252</td>
</tr>
<tr>
<td>Hyundai Motors</td>
<td>34, 49</td>
</tr>
<tr>
<td>I</td>
<td></td>
</tr>
<tr>
<td>imperialism</td>
<td>108, 165, 275</td>
</tr>
<tr>
<td>import-substitution</td>
<td>185, 190</td>
</tr>
<tr>
<td>improvements in inter-Korean relations</td>
<td>67</td>
</tr>
<tr>
<td>Indian Chamber of Commerce</td>
<td>33, 53</td>
</tr>
<tr>
<td>Indian economy</td>
<td>18</td>
</tr>
<tr>
<td>Indian Navy</td>
<td>131, 169, 246, 292, 300</td>
</tr>
<tr>
<td>Indian nuclear energy sector</td>
<td>177</td>
</tr>
<tr>
<td>Indian Ocean</td>
<td>27, 35, 57, 77, 78, 81, 83, 115, 131, 134, 144, 147, 164, 167, 169, 176, 177, 179, 180, 183, 244, 246, 264, 270, 288, 289, 300, 309, 310, 311, 312, 321, 322, 323</td>
</tr>
<tr>
<td>Indian–ASEAN summit</td>
<td>26</td>
</tr>
<tr>
<td>India’s strategic profile</td>
<td>178</td>
</tr>
<tr>
<td>Indira Gandhi</td>
<td>48, 49, 198</td>
</tr>
<tr>
<td>industrial expansion</td>
<td>188</td>
</tr>
<tr>
<td>Information Office of the State Council</td>
<td>227, 230, 233, 249</td>
</tr>
<tr>
<td>integrated mobile defense</td>
<td>119</td>
</tr>
<tr>
<td>Intellectual Property Rights (IPR)</td>
<td>220</td>
</tr>
<tr>
<td>Intercontinental Ballistic Missile (ICBM)</td>
<td>235</td>
</tr>
<tr>
<td>International Atomic Energy Agency</td>
<td>139</td>
</tr>
<tr>
<td>international community</td>
<td>67, 68, 70, 75, 80, 104, 165, 253, 275, 288, 289</td>
</tr>
<tr>
<td>International Development Cooperation</td>
<td>105</td>
</tr>
<tr>
<td>international law</td>
<td>18, 38, 76, 96, 149, 162, 163</td>
</tr>
<tr>
<td>International Monetary Fund (IMF)</td>
<td>89, 159, 189</td>
</tr>
<tr>
<td>international standard</td>
<td>189</td>
</tr>
<tr>
<td>Islamabad</td>
<td>245</td>
</tr>
<tr>
<td>J</td>
<td></td>
</tr>
<tr>
<td>Jawaharlal Nehru</td>
<td>44, 86</td>
</tr>
<tr>
<td>Jiangkai class frigates</td>
<td>233</td>
</tr>
<tr>
<td>Joint Applied Research</td>
<td>79</td>
</tr>
<tr>
<td>Joint exercises</td>
<td>58</td>
</tr>
<tr>
<td>Joseon Dynasty</td>
<td>43</td>
</tr>
<tr>
<td>K</td>
<td></td>
</tr>
<tr>
<td>Kim Dae-Jung</td>
<td>102, 103</td>
</tr>
<tr>
<td>Kim Il Sung</td>
<td>43, 46</td>
</tr>
<tr>
<td>Kim Il Young</td>
<td>155</td>
</tr>
<tr>
<td>Kim Jong II</td>
<td>66</td>
</tr>
<tr>
<td>Kim Jong-UN</td>
<td>66, 67, 68</td>
</tr>
<tr>
<td>King Suro</td>
<td>284</td>
</tr>
<tr>
<td>Korean ceasefire</td>
<td>45</td>
</tr>
<tr>
<td>Korean Institute of Defense Analysis</td>
<td>58</td>
</tr>
<tr>
<td>Korean nuclear reactors</td>
<td>177</td>
</tr>
<tr>
<td>Korean peninsula</td>
<td>20, 22, 36, 41, 43, 44, 46, 171, 178, 179, 228, 229, 239, 240, 243, 248, 286, 313</td>
</tr>
<tr>
<td>Korean War</td>
<td>16, 44, 161, 188, 190, 239, 285, 314</td>
</tr>
<tr>
<td>Korean Wave</td>
<td>125</td>
</tr>
<tr>
<td>Korea–India bilateral trade</td>
<td>53</td>
</tr>
<tr>
<td>Korea–India partnership</td>
<td>59</td>
</tr>
<tr>
<td>Korea’s defense policy</td>
<td>75, 228, 229, 240, 242</td>
</tr>
<tr>
<td>Korea’s growing soft power</td>
<td>105</td>
</tr>
<tr>
<td>KOTRA</td>
<td>34, 53</td>
</tr>
<tr>
<td>K.P.S. Menon</td>
<td>43</td>
</tr>
<tr>
<td>K. S. Thimayya</td>
<td>45</td>
</tr>
</tbody>
</table>
labor-intensive products 189  
Land Attack Cruise Missiles (LACMs) 233  
Lee Kuan Yew 27, 87  
Lee Myung-Bak 32, 42, 52, 103, 133, 134, 135, 156  
LG Electronics 211  
Liaoning 233, 234, 252  
liberalization 49, 53, 90, 186, 190, 193, 196, 197, 200, 201, 204, 222  
Line of Actual Control (LOC) 138  
Lockheed Martin 246  
logistic cooperation 135  
long-distance Sea Lanes of Communication (SLOCs) 131  

M  
Mahindra & Mahindra 34, 213  
Malacca 78, 81, 288, 311, 312  
Manmohan Doctrine 310, 312  
Maritime security 35  
Memorandum of Understanding (MoU) 34, 52, 75, 135, 293, 319  
Middle Kingdom 119, 129, 137  
middle power diplomacy 19, 104  
middle powers 18, 63, 68, 69, 115, 116, 121, 122, 127, 129, 130, 133, 135, 136, 137, 139, 141, 142, 143, 222, 223  
middle-power cooperation 115, 133, 135, 136, 141, 142, 143  
military capabilities 75, 158, 227, 228, 229, 231, 235, 238, 241, 242, 248, 259, 300, 316  
Missile Technology Control Regime (MTCR) 272  
M.K. Gandhi 43  
Monroe Doctrine 133, 137, 152  
Most Favored Nation 48  
multilateral cooperation 21  
multilateral maritime security 244  
multilateralism 21, 86, 87, 89, 90, 92, 93, 96, 97, 98, 106, 108, 109, 187  
Mumbai 200, 201  
mualt interests 80, 305, 309, 320  
Mutual Security Treaty 46  
Myanmar 26, 102, 194, 270, 312

N  
Narasimha Rao 25, 32, 37, 41, 49, 306  
Nehruvian 158, 197  
Neutral Nations Repatriation Commission (NNRC) 45  
New Asia Initiative 103, 104, 156, 309  
non-aggression 87, 107  
North Atlantic Treaty Organization (NATO) 86  
Northeast Asia Peace and Cooperation Initiative (NAPCI) 71  
nuclear agreement 284, 295  
nuclear energy 32, 35, 52, 102, 174, 176, 216, 234, 299  
nuclear proliferation 70, 80, 159, 170, 177, 179, 245, 321  
Nuclear Security Summit 57, 103, 299  
Nuclear Suppliers Group 35, 176  
nuclear weapons 57, 60, 67, 139, 162, 178, 257, 258, 263, 270, 271, 273, 314  
official development assistance 48, 156  
Oil and Natural Gas Corporation (ONGC) 312  
Operation Control (OPCON) 72  
Opium Wars 227  
Organization for Economic Cooperation and Development (OECD) 42, 187
P
Pacific Command (PACOM) 238
Panchsheel (five pillars) 87
pan–Asian university 100
Pat Garrett 152
Pax Americana 30
Pentagon 144, 152
People’s Liberation Army (PLA) 118, 227
Pham Bing Minh 99
pivot to Asia 61, 90, 96
PLA Modernization 232
POSCO 48, 50, 54, 55, 101, 211, 217, 300, 301
power shift 17, 153, 154, 155, 156, 178
power struggle 16, 149, 153, 156, 169
Proliferation Security Initiative (PSI) 70
Protection of Classified Military Information (PCMI) 79

Q
Qingdao 233
Quadrennial Defense Review (QDR) 263
quantitative attributes 121

R
Rabindranath Tagore 43, 284
Red Chinese 44
regional economic integration 60, 218
Revolution in Military Affairs (RMA) 229
Roh Moo-Hyun 51, 103, 133, 134, 156

S
Samsung 34, 49, 51, 54, 56, 211
San Francisco Peace Treaty 129
sea lanes of communication 38, 99, 151, 168, 169, 244
Sea of Japan 36, 311
Security Consultant Meeting (SCM) 240
security framework 128, 132, 141, 142, 143, 253, 254, 255, 264, 265, 266, 267, 269, 273, 274, 275, 277
self-propelled anti-aircraft gun system 232
Senkaku Islands 36, 129, 228, 237, 238
Seoul Nuclear Security Summit 157
Shanghai Cooperation Organization (SCO) 267
Shinzo Abe 99, 132
Shivshankar Menon 134, 135, 296, 321
Singapore 26, 27, 49, 87, 88, 99, 100, 108, 133, 194, 204, 207, 208, 213, 214, 218
Six Party Talks 68, 71, 128, 228
S.M. Krishna 294
soft power 101, 120, 235
South Asia 28, 39, 42, 58, 59, 102, 154, 161, 174, 177, 273, 285, 289, 304, 308, 322, 324
South China Sea 60, 76, 79, 97, 107, 120, 137, 152, 153, 164, 171, 231, 236, 244, 252, 254, 259, 268, 272, 310, 311, 312, 313, 316
South East Asia Treaty Organization (SEATO) 61
South Korean security policy 65, 74
Soviet Union 25, 31, 43, 46, 49, 158, 161, 269, 270, 287
Special Measures Agreement (SMA) 92
Spratly Islands dispute 228
SsangYong Motors 34
Strait of Hormuz 78
strategic ambiguity 178
strategic convergence 107, 150, 166, 171, 177, 319
strategic dialogues 245
Strategic Engagement 63, 149
strategic partnership 20, 33, 52, 56, 57, 62, 69, 73, 74, 78, 82, 102, 115, 120, 124, 131, 132, 149, 158, 172, 176, 185, 221, 222, 244, 255, 264, 285, 287, 288, 290, 292, 294, 295, 300, 301, 305, 307, 319, 320, 321, 322
Strategic Security Cooperation 268
String of Pearls 138, 270
Submarine Launched Ballistic Missile (SLBM) 235
Surface to Air Missiles (SAMs) 233