

# SOUTH KOREA'S EXPANDING REGIONAL AND GLOBAL ROLES: CHALLENGES AND PERSPECTIVES<sup>1</sup>

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## Resumo

Nas últimas quatro décadas, a República da Coreia (Coreia do Sul ou Coreia) transformou-se de um país pobre, com uma sociedade agrária dilacerada pela guerra, em uma nação industrial e moderna, líder em importantes áreas, como tecnologia da informação e inovação. Apesar do notável desempenho nacional, o papel da Coreia como ator regional e global era considerado pouco expressivo até os anos 1990. Com o fim da Guerra Fria e a consolidação de suas bases diplomáticas, a política externa da Coreia passou por rápidas transformações; seu escopo tornou-se global e incluiu o que tem sido chamado “diplomacia de cúpula”, com o objetivo de fortalecer as relações já existentes e iniciar novas parcerias e projetos de cooperação para o século XXI. Em nível regional, a Coreia tornou-se membro ativo da Asean+3, da Apec e de outras organizações; desde 2008 mantém cúpulas trilaterais anuais com a China e com o Japão, e em setembro de 2011 Seul tornou-se sede do Secretariado para a Cooperação Trilateral. Poucos anos após ingressar na ONU (1991), em novembro de 1995 o país foi eleito membro não permanente do Conselho de Segurança e recentemente foi novamente eleito para o período de 2013-2014; em 2006 o diplomata coreano Ban Ki-moon foi eleito o 8º secretário-geral da ONU, e em junho de 2011 teve seu mandato renovado até 2016. Estas e outras importantes conquistas evidenciam o papel assertivo da Coreia como ator regional e global. A fim de fortalecer a cooperação com parceiros já estabelecidos e com países emergentes, a Coreia propõe as seguintes políticas e estratégias: expansão do mercado exportador, atração de IED, consolidação do comércio bilateral e intensificação dos laços com os principais parceiros. Entretanto, além de seu inegável sucesso econômico e conquistas políticas nos panoramas regional e global, variáveis externas desempenham importante papel na determinação da Coreia de ampliar seu papel de ator regional e global: as políticas domésticas e internacionais e as consequentes estratégias a serem desenvolvidas pela China, pelos EUA e pelo Japão, bem como as relações futuras entre esses três países. As relações entre os EUA e a China, em particular, irão determinar futuros acontecimentos no Leste Asiático. A China é hoje o maior parceiro comercial da Coreia, mas este país depende dos EUA para sua segurança e apoio militar. Portanto, espera-se que o novo

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governo coreano mantenha uma estratégia de pêndulo em suas relações com a China e com os EUA e, ao mesmo tempo, neutralidade no que se refere às relações entre Japão e China.

**Palavras-chave:** Coreia do Sul. Papel regional e internacional. Desafios e perspectivas.

## Abstract

In the last four decades the Republic of Korea (South Korea or Korea) developed from a poor country and an agrarian society into a wealthy and industrial nation and a world leader in important areas such as information technology and innovation. Despite its remarkable achievements at the national level, at the regional and global levels Korea's role was somewhat marginal until the 1990s. With the end of the Cold War and its diplomatic foundations established Korea's foreign policy underwent rapid transformations; its scope became global and included what has been called "summit diplomacy", designed to consolidate friendly relations and start new partnerships and projects of cooperation for the 21st century. At the regional level it is an active member of Asean+3, of Apec and of other organizations; since 2008 it maintains annual Trilateral Summit Meetings with China and Japan, and in September 2011 Seoul became seat of the Trilateral Cooperation Secretariat. Only a few years after joining the UN (1991), in November 1995 the country was elected a non-permanent member of the UNSC, and recently was again elected for the period of 2013-2014; in 2006 Ban Ki-moon, a Korean Diplomat, was elected the 8<sup>th</sup> Secretary General of the UN and in June 2011 he had his mandate renewed until 2016. These and other important achievements are evidence of Korea's assertive role as a regional and global actor. To strengthen cooperation with established and emerging international partners the country will rely on the following policy directions and strategies: expand export markets, attract FDI, pursue bilateral trade and intensify ties with major trading partners. It is clear, however, that in addition to its undeniable economic success story and political achievements at the regional and international levels, external variables are quite important in Korea's determination to expand its regional and global roles: the domestic and international policies and consequent strategies implemented by China, the United States, and Japan, as well the future relationships among these three countries. The relationships between the US and China, in particular, will determine to a large extent what will happen in East Asia. China has become Korea's number one trade partner, but Korea is heavily dependent on the US for security and military assistance. Therefore, the new Korean government is expected to play a kind of pendulum strategy between the two major powers, as well as a somewhat neutral role with respect to Sino-Japanese China relations.

**Key words:** South Korea. Regional and global roles. Challenges and perspectives.

## Introduction

In the last four decades or so the Republic of Korea (ROK, South Korea or simply Korea) developed from a poor country and an agrarian society to a wealthy and industrialized nation and a world leader in areas such as information technology, innovation, and others. Studies have shown that Korea's success results mainly from government investments and incentives, especially in the *chaebols* – conglomerates controlled by family groups with strong ties to government agencies and official banks – in an export-oriented policy and on high priority in education. Along with its remarkable economic success, the country overcame a long military dictatorship and achieved political stability within a democratic framework. Despite its remarkable achievements at the national level, Korea's role, both at the regional and global levels, was regarded as somewhat marginal until the 1990s when it began to gain further visibility and recognition as an international actor. This paper reviews briefly Korea's political and economic features, and its policy directions and strategies to boost its expanding role at the regional and global levels.

### A brief political overview<sup>3</sup>

Although the Korean Nation's history is long and rich, due to the Korean War (1950-1953) and the creation of two separate Korean states, the history of South Korea begins in 1948 with the establishment of the Republic of Korea (ROK) and the election of Syngman Rhee as the country's first President, by its recently constituted National Assembly. Syngman Rhee remained president until April 1960, when he was forced to resign, under accusations of electoral fraud, corruption, dictatorship and other wrong doings.

### *The military regime*

The succeeding government led by Yun Po-sun (1960-1962) was fragile and faced difficulties in controlling popular discontent and demonstrations, mostly due to economic uncertainty and unemployment. General Park Chung-hee took advantage of the situation, led a *coup d'état*, becoming the country's strong man, and in 1963 was elected President of the Republic. Park established an innovative national plan with the purpose of transforming South Korea, historically a traditional and agrarian society, impoverished by the war, into a "rich country and a military power". These goals would be achieved through a process of accelerated industrialization, investment in

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<sup>3</sup> The sections "A Political Overview" and "Economic and Social Outlook" draws partially on GUIMARÃES, Lytton L., *South Korean Foreign and Security Policies: Some Implications for East Asia Integration and for Latin America*, presented at the UCLA-CKS Conference on Joint Research Project II, May 5-6, 2011. The following sources were also used in writing these two parts of the paper: KIM (2003), SNYDER (2003) CHOI (2007).

education, science and technology, and special emphasis on an export strategy. A large amount of financial resources were channeled to support the *chaebols*, some of which grew rapidly and played an important role in the government controlled development programs.

General Park was assassinated in October 1979. During almost two decades under his leadership (1963-1979), South Korea underwent a deep and encompassing transformation, with significantly high economic development, resulting from investments in infrastructure, education, science and technology, and relatively abundant supply of cheap labor. Following Park's assassination a process of political liberalization led by Choi Kyu-ha (1979-1980) was interrupted by a new *coup d'état* led by General Chun Doo-hwan, who consolidated his position of power and remained president from 1980 to 1988. Chun continued Park's strategy of accelerated industrialization and economic growth, but now with special emphasis on high tech value added industries aiming at the external market. Chun's successor was Roh Tae-woo, a former general and an important collaborator in Chun's government. He promoted closer contacts with North Korea, a Constitutional reform granting more decision-making power to the National Assembly, popular vote in future presidential elections and broader political freedom. The three policy targets of his administration were defined as a pro-active diplomacy, political and socioeconomic growth with equality, and national reunification.

### **Return to civilian rule**

In November 1992 Kim Young-sam, an opposition leader, was elected the first civilian president since 1960. He promised to build a "new Korea", fight corruption and promote economic development. His anti-corruption campaign resulted in the arrest of the two former presidents – Chun Doo-Hwan and Roh Tae-woo – accused of high treason, for their role in the 1979 *coup* and a massacre in the city of Kwangju; Chun received the death penalty, later commuted to life in prison, while Roh was condemned to more than 22 years in prison, later reduced to 17 years. However, in 1998 both were pardoned by President Kim Dae-jung, their former political rival.

President Kim Young-sam developed a set of policies called "A New Five-Year Plan for the New Economy". But he faced serious economic problems which contributed to the Asian (and Korean) Crisis of 1997/1998. Although the country's macroeconomic foundations were considered solid, banks faced an enormous volume of unpaid loans, especially from the part of *chaebols*, which were responsible for a large innovation and expansion programs designed to compete in the world market. The unusual volume of unpaid debts led to a series of bankruptcies and acquisitions (JWA, 2002).

At the end of 1997, Kim Dae-jung was elected President of the ROK (1998-2003). His election marked what has been considered the first real democratic transition in South Korean history, as it involved the transfer of power by an incumbent civilian president, elected by popular vote, to another civilian president elected by opposing political forces. The new government was based on the President's belief in the simultaneous processes of the development of democratization and the transition to a market economy. His ambitious program involved what was called "Second Nation Building" for the 21<sup>st</sup> century and the "sunshine policy" towards North Korea.<sup>4</sup> Although facing an unprecedented financial crisis President Kim Dae-jung went ahead with his program of reforms, created incentives for foreign investment, and began a revolution focused on individual rights and education. In recognition of his efforts and initiatives, he was awarded the 2000 Nobel Peace Prize.<sup>5</sup> An important international event during his government was the Football World Cup that took place in 2002, in partnership with Japan.

Kim Dae-jung's successor was President Roh Moo-hyun (2003-2008), whose election brought to power a new generation of politicians, many of whom were veterans of the former student demonstrations held against the military governments. This new generation of leaders contributed to the process of articulation and implementation of a progressive agenda in opposition to the regarded "backward politics" practiced until then. These and other aspects of the reforms, such as the enforcement of campaign finance laws underlying the relations between business and politics, considered "roots of corruption", were "one of Roh's administration most important contributions" to the consolidation of democracy in Korea (CHAIBONG, 2008).

Like President Kim Dae-jung, President Roh was considered an idealist and visionary. With a historical past as a defender of human rights and decency in public office, he was seen as an anti-corruption president. But in spite of the positive expectations with his election, his term in office was considered tumultuous by both Korean and international observers. The business elite saw him as a leftist due to his efforts to redistribute wealth. Accused by mem-

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4 Second nation building was defined as "a total reform of state affairs in order to overcome the present national crisis, to refurbish the groundwork of the nation, and finally enter the ranks of advanced countries, by a democratic market economy and internalizing the universal principles and values, on the basis of industrialization and democratization that have been achieved since the first nation-building of the foundation of the modern state in post war period". The sunshine policy was a new strategy to promote "co-prosperity of both Koreas, thus putting an end to confrontation and conflict". It would establish "new inter-Korean relations, for reconciliation, cooperation and peaceful existence". "The Great Transformation and the Direction for Reform [in Korean]," Seoul: Presidential Commission for Policy Consultation, 1998; in *The Society for Northeast Asian Peace Studies* (KIM, 1998, p. 37-39).

5 The diploma he received contains the following inscription: "for his work for democracy and human rights in South Korea and in East Asia in general, and for peace and reconciliation with North Korea in particular"(NOBEL PRIZE ORGANIZATION, 2010).

bers of the National Assembly of violating the Constitution he was impeached until the Constitutional Court reversed the decision.

Although international trade was favorable and the economy was expanding, the country faced problems such as unemployment, lack of FDI, failure to improve the educational system, as promised during his campaign. From a political perspective, the President was accused of lack of flexibility, what may have contributed to his party's decline in the National Assembly election; as a result he was unable to make his successor. One year after he left the Presidency, he became the object of an investigation of a scandal involving suspicion of corruption. On 23 May 2009 the former president was found dead, having left a suicide note.

Lee Myung-bak, a former Hyundai CEO and mayor of Seoul, was elected Roh's successor. His election represented a shift from the ten years of liberal governments led by Kim Dae-jung and Roh Moo-Hyun, both more identified with the *idealistic* tradition, to a conservative and pragmatic approach, closer to the *Realpolitik* tradition. In economic terms, the main targets defined for his administration were summarized in "Plan 747": to achieve seven percent annual GDP growth, reach a per capita income of US\$40,000 and raise the Korean economy to the seventh position among the world economies.<sup>6</sup> The President seemed to believe that he received a mandate to build a "new Korea", with an affluent, healthy society, and a strong state. To reach such goals he would follow a strategy named "Smart Market Economy, Empirical Pragmatism, and Democratic Activism". However, the global financial crisis that began in the US in 2008 became a major obstacle to his ambitious economic targets.

The Lee Administration defined what was called "special policies" to fight the global financial and economic crisis, which included tax cuts and new tax deregulations, interest rate controls, and other specific measures to prevent the world crisis from causing serious damages to the domestic economy. As a result, Korean and international observers alike agree that Korea was one of the first countries to recover from the international financial crisis more rapidly than most OECD member states.

The President attempted to transform the world economic crisis into an opportunity to make Korea a "global soft power" able to mediate conflicts between rich and poor countries (WALSH, 2009; LEE, 2010). However, by the end of 2010, some of his close associates regarded as powerful members of the administration were accused of "involvement in improprieties". The

6 Whenever no specific source is mentioned, the following main sources were consulted in writing this section about President Lee's Administration: "What are some of President Lee Myung-bak's major projects for improving Korea?" ([www.koreabrand.net/html/en/forPrintKnow/html](http://www.koreabrand.net/html/en/forPrintKnow/html); accessed on 3 March 2011) and Reuters, "PROFILE-South Korea's President Lee Myung-bak" ([www.reuters.com/assets/print?aid=USLEADERKR20110223](http://www.reuters.com/assets/print?aid=USLEADERKR20110223); accessed on 5 March 2011).

opposition, and also some members of his party, raised the issue of abuse of power and corruption committed by senior government officials. At its final phase President Lee's administration was criticized for the increase of unemployment and income inequality, for the allegedly manipulation of statistics to make unemployment appear lower than what it really was, for the lack of price controls and the acceleration of inflation, for illegal surveillance of opposition leaders, and for corruption and malpractice among prosecutors. Another source of criticism was the fact that with less than a month to end his term in office, President Lee granted pardons to several of his political allies, some of which had been convicted of corruption and other crimes (CHOE, 2013). Some Korea watchers have argued that he left his five-year term "generally high on international relations and economic crisis management but low on inter-Korean ties and domestic politics" (SONG, 2013).

President Park Geun-hye, Korea's first female president, elected in December 2012 for the period of 2013-2018, was acting First Lady from 1974 to 1979, when her father, former President Park, was killed. She was elected for the National Assembly in 1998 and since then reelected in every succeeding election. At the National Assembly she was a chairperson of important committees. In 2007 she sought the nomination as presidential candidate of the Grand National Party, when former President Lee Myung-bak was chosen the party candidate (<http://english.president.go.kr/m>).

President Park Geun-hye chose as her Administrative Philosophy "A paradigm shift in the operation of economic and social affairs and governance to realize the full potential of the Republic of Korea through grand integration and sustainable development". Her Administrative Vision and Goals are defined as "A New Era of Hope". During a cabinet meeting held on May 28, 2013, the President reaffirmed that her government will pursue four Administrative Priorities: 1) economic revival; 2) happiness for the people; 3) cultural renaissance; and 4) laying the foundation for peaceful unification. These four administrative priorities will encompass 14 categories and a total of 140 administrative tasks (<http://english.president.go.kr/m>). A poll to evaluate her first 100 days in office reported an approval rating of 65%, better than her predecessor's in the same period (17.7%), although lower than Kim Young-sam's (82.4%) and Kim Kae-jung's (77.1%). Results of the same poll show that some of her appointees for high level offices have been accused of involvement in corruption schemes and therefore seem to have become a burden for her government ([www.rjkoehler.com](http://www.rjkoehler.com).2013).

### *Consolidation of democracy*

Since the return to civilian rule five presidents have been elected by popular vote and at least in two cases by opposing political forces, an indication of

alternation of power and political maturity. The ROK political transition has been regarded as an example of the third wave of democratization, suggested by Huntington (1992). Its political parties are relatively young and have been subjected to being “refunded” or dissolved. But they have played an important role in elections for the Presidency and for the National Assembly. Korean analysts generally agree that the country has an independent judiciary system, a free press, and above all, an active and demanding civil society (LEE, 2009; SNYDER, 2003; KIM, 2003).

The Economist Intelligence Unit’s “Democracy Index 2012” ranks Korea in the 20<sup>th</sup> position, with an overall score of 8.13 out of a possible 10. A total of 167 countries were included in the index, composed of the following variables: 1) electoral process and pluralism; 2) functioning of government; 3) political participation; 4) political culture; and 5) civil liberties. Norway was ranked number 1, with an overall score of 9.93; the USA received 8.11 points and was classified in 21<sup>st</sup> place, just before Costa Rica with a score of 8.10; Japan comes next with an overall score of 8.08. China obtained 3.14 points and was ranked in the 142<sup>nd</sup> place. North Korea appeared in the last place (167<sup>th</sup>) with an overall score of 1.08 points ([www.eiu.com](http://www.eiu.com)).

## **Economic and social outlook**

### *The “Miracle on the Hangang River”*

The expression is used to refer to the accelerated economic growth which in about four decades transformed South Korea from a poor, agrarian and traditional society, into an industrialized, technologically advanced, urbanized and modern country, in which the majority of the population enjoys high living standards. This exceedingly rapid process of economic growth was accompanied by a globalization of the Korean economy and the worldwide presence of multinational firms such LG, Hyundai, Samsung and others. Observers attribute the use of the phrase to an analogy of “Miracle on the Rhine”, which described the economic growth of West Germany after World War II. Initially the phrase was used in reference to Seoul – through which the Han River flows – and its rapid transformation into an international business and commercial hub, but nowadays it is also used as a symbol of national pride for Koreans.

Table 1 (Annex) shows Korea’s GDP growth and per capita GNI for the period of 1970 to 2011. From 1970 to 2007 the Korean economy achieved a constant and relatively high growth rate, when its per capita income also rose steadily. The growth trend was interrupted with the world financial crisis of 2008, and to some extent picked up again in 2010. A report released by the Korean Development Institute (KDI) predicts that the Korean economy



will expand 2.6 percent in 2013 and 3.6 percent in 2014, depending on the gradual recovery of the global economy. Exports, equivalent to about half of the Korean economy, are expected to increase 6.4 percent in 2013, and 8.4 percent in 2014. The rate of inflation is estimated at 1.8 percent in 2013 and 2.6 percent next year (SOUTH KOREA, 2013).

### *New challenges*

A recent study made available by the McKinsey Global Institute (MGI) (MCKINSEY GLOBAL INSTITUTE, April 2013) shows that South Korea has become a world leader in several industries: “Number 1 in DRAM memory chips with 66 percent global market share; number 1 in LCD displays with 51 percent global market share (LCD panels); number 1 in mobile phone market share; number 1 in shipbuilding with 51 percent of global market share; number 5 in autos, with 4.7 million vehicles in 2011; number 5 in refinery capacity; number 6 in global steel production”. A challenge faced by Seoul is to preserve these remarkable achievements.

The same study conducted by the MGI presents also a detailed analysis of data showing that South Koreans faces other serious economic and social challenges, some of which are listed below:

- a shift in job creation, from manufacturing to services, with strong negative impact on incomes;
- productivity gains and overseas expansion (by large companies) have meant “jobless growth” at home; official employment records do not capture the full extent of joblessness; there is hidden unemployment;
- the manufacturing sector leads in GDP growth, but services lead in job creation, with lower wages; wage growth has not kept up with GDP growth; manufacturing has raised output by improving productivity and the services sector has grown by adding employees;
- total savings have remained high enough to fund investment but household savings have declined;
- middle-income families face the largest and fastest growing debt payment and education fees;
- house prices are high and South Koreans have more of their own resources tied up in household than do people of other developed countries; and the share of middle-income households has declined;
- the South Korean fertility rate has fallen by two-thirds since the 1970s, so the country is already feeling the effects from slowing flow of prime working-age population into the labor force.

Along with her number one Administrative Priority – economic revival – and as if recalling her father’s role in setting up the basis for the “Miracle

on the Hangang River”, in her inauguration address President Park Geun-hye called on South Koreans to help her create conditions for a “Second Hangang River Miracle”. She ended her address with the following phrase: “Let us all work together towards a new era of happiness and hope, so that we can all become partners in another miracle or a new chapter in the “Miracle on the Han River” (<http://www.english.yonhapnews.co.kr>).

## **South Korea´s presence in the world arena**

### *In search of cooperation and support*

During its first decades the ROK´s government had to mobilize its society to achieve economic growth and to undertake national efforts to maintain security and survival, since it faced a constant threat from North Korea. The ROK had to strengthen diplomatic ties with many countries in order to secure cooperation and support, particularly from the US, under the South Korea-United States Defense agreements, and in compensation for South Korea´s involvement in the Vietnam War; the country depended also on aid provided by Japan as part of the Treaty of Basic Relations between the two countries. Consolidation of the country´s presence in the international arena was a relatively slow process, but by the end of the 1980s South Korea had established diplomatic relations with most countries in all continents.

The success of the Seoul Olympics of 1988 as well as the world cup of 2002, in partnership with Japan, helped to project a positive image of the country in the world. In 1988 Korea launched a foreign policy initiative towards Eastern Europe, called Nordpolitik, which represented a major break in Korea´s diplomatic orientation and was undertaken with the expectation that formal relations with other socialist countries might induce North Korea to accept peaceful coexistence with the ROK. As part of this strategy, President Roh met with President Mikhail Gorbachev in San Francisco in June 1990. The summit ended more than four decades of absence of formal ties between the two countries and opened the way to future bilateral cooperation. By 1992 Korea had established diplomatic relations with most of the former socialist countries, as well as with China.

### *Summit diplomacy*

With its diplomatic foundation established South Korea pursued what MOFAT has called “summit diplomacy”, designed to consolidate friendly relations and start new partnerships and projects of cooperation for the 21<sup>st</sup> century. Following this new trend President Kim Young-sam met with several world leaders; leading a group of high level government officials and businessmen he visited five Latin American countries: Argentina, Brazil, Chile, Guate-

mala, and Peru. It was the first visit by a Korean president to a group of Latin American countries. Agreements were concluded, opening new opportunities for investment, trade, and cooperation.

In a Sydney Declaration of November 1994 President Kim Young-sam announced his administration drive to globalization and set up the “Globalization Promotion Committee”, headed by the Prime Minister. The President argued that Korea had been so far successful in its efforts to become a modern and industrialized nation, but needed now to face new challenges of the process of globalization. Therefore, his proposed policy (called *segvehwa*) was necessary. His main motivation was to increase Korea’s competitive edge in a globalized world, and to motivate businesses’ expansion to gain new markets and reduce production costs (SHIN, 2003).

President Kim Dae-jung also held summits with world leaders to promote Korean interests and his “sunshine policy”. One of the most important events of his Administration was the summit held in Pyongyang during 13-15 June 2000 with Chairman Kim Jong-il. In addition to establishing a promising political relationship – which did not last long, due mainly to outside factors<sup>7</sup> – the sunshine policy contributed to increasing the volume of trade between both Koreas as well as South Korea’s investment in North Korea.

President Roh Moo-hyun continued to give priority to the economic and trade diplomatic strategy aiming at reinforcing the process of building an “advanced trading nation”. In order to guarantee a regular supply of energy to his country, he held summits with leaders of most oil and gas-producing countries; on his way to Russia and Central Asia in September 2004 he used for the first time the expression “resource diplomacy” to refer to Korea’s energy security, and the need to diversify its sources of oil in view political instability in the Middle East and rising prices of petroleum. The expression “resource diplomacy” was later used as a strategy in connection also with other sources of energy as well to food security and became part of Korea’s relations with Latin America, Africa, South Asia, and other regions (KALINOWSKI; CHOI, 2012). At the same time the government implemented policies designed to develop new technologies to produce alternative sources of clean energy (SOUTH KOREA, MOFAT, White Papers 2006). The President continued to pursue engagement with North Korea and visited Pyongyang (2-4 October 2007) for a summit with Chairman Kim Jong-il. The two leaders signed an agreement which anticipated closer cooperation in several areas.

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7 US Secretary of State Madeleine Albright visited Pyongyang in October 2000 as President Bill Clinton’s demonstration of approval regarding President Kim’s strategy towards North Korea. However, Bush’s State of the Union Message 2002, in which he qualified North Korea, together with Iraq and Iran, as the “axis of evil”, contributed to deepen differences between Kim and Bush, and to create difficulties for US-South Korea relations as well for relation between both Koreas (KIRK, 2009).

President Lee Myung-bak pursued intensively the summit diplomacy strategy. During the first year of his Administration (2008) he held 13 summit meetings with heads of states and governments of Korea's main partners such as the USA, China, Japan, and also with leaders of Peru, Poland, Jordan, Denmark, Russia and Vietnam. In the course of the following years he held even more summits with leaders of other countries and of international organizations, such as the UN, Asean, Apec, the European Union, and others: 44 in 2009, 69 in 2010, 36 in 2011, and 62 in 2012. Those summit meetings have been considered valid tools by the Korean government to consolidate existing partnerships and/or to open up new markets and new avenues for trade and cooperation, and in many cases to guarantee energy and food supply to South Korea.<sup>8</sup>

### *The ROK as a regional actor*

In July 1989 South Korea and the Association of Southeast Asian Nations (Asean) established a dialogue, which until then had been restricted to Australia, Canada, Japan, New Zealand, and the USA. This dialogue was most important as it promoted not only closer contacts with Asean and its individual country members, especially after the agreement that instituted Asean+3 (Korea, Japan and China), but it also became a vehicle for Korea's approximation with Japan and China. At the end of 1999 President Kim Dae-jung, China's Premier Zhu Rongji, and Japan's Prime Minister Keizo Obuchi met in Manila, on the sideline of the annual Asean meeting; that *ad hoc* meeting was the first of a series of eight annual meetings held among the leaders of South Korea, China, and Japan, on the sideline of the Asean summits, before the Trilateral Summit meetings became a regular event on the diplomatic and economic agendas of the three countries.<sup>9</sup>

A "Future-Oriented Mature Partnership" with Japan and a "Strategic Cooperative Partnership" with China, proposed by President Lee Myung-bak during his visits to those countries in his first year in office, received further support during the *ad hoc* Trilateral Summit meeting among the leaders of the three countries held on December 13 2008, at the Japanese city of Fukuoka. This was the first Trilateral Summit meeting held independently of the multilateral summits held by Asean+3. A "Joint Statement for Tripartite Partnership" released at the end of the summit points out the interdependence of the three economies, the strong people-to-people cultural ties, and the desire to

8 Data on the number of summit meetings held by President Lee were obtained from various sources (www.mofat.go.kr, www.english/president.go.kr, and others).

9 A visit to the Yasukuni Shrine by the Japanese PM Junichiro Koizume, despite official protests by South Korea and China, led to a *sine die* postponement of a Korea-China-Japan meeting scheduled to be held on the sidelines of the Asean+3 meeting in Kuala Lumpur in December 2005 (South Korea, Mofat White Paper 2006).

work towards the creation of a “peaceful, prosperous and sustainable future for the region and the international community”. In recognition of the importance and success of this first high level meeting, the three leaders decided to hold annually Tripartite Summit Meetings (JAPAN, Dec. 2008).

Since then heads of state and governments of the three countries have met in annual summits, when they have repeatedly expressed their determination to enhance cooperation in several areas, despite bilateral issues that still exist and may not be resolved in the foreseeable future.<sup>10</sup> Following a proposal by President Lee, approved by his Japanese and Chinese counterparts, in September 2011 a Trilateral Cooperation Secretariat opened in Seoul. The “Joint Declaration on the Enhancement of Trilateral Comprehensive Partnership”, signed on the occasion of the Fifth Trilateral Summit Meeting (13 May 2012) is the institutional basis for the Secretariat. It will promote three-way cooperation through joint projects. The three countries will rotate in naming Secretary Generals for the office. South Korean ambassador Shin Bong-kil was appointed the first Secretary General for the first two-year term ([www.tsc-asia.org/dnb/main](http://www.tsc-asia.org/dnb/main)).

### *The ROK as a global actor*

South Korea is a founding member of Apec (1989), in 1991 it was admitted to the UN (together with North Korea), and in 1996 became a member of OECD. The country gained further visibility and recognition as a global actor by joining the G20 in 2008. The 2010 G20 *Summit* held in Seoul on November 11-12, the fifth G20 summit where heads of 19 states and governments and European Union representatives discussed the global financial system and the world economy, “symbolized the membership of South Korea in the ranks of rich economies and has provided the opportunity to highlight South Korea as a successful development story from an aid recipient to an aid donor” (CHUNG, 2012, [www.nacsi.or.kr](http://www.nacsi.or.kr)). Another important international event hosted by Korea was the Nuclear Security Summit, held in March 27, 2012; at the end of the summit the “Seoul Communiqué at 2012 Nuclear Security Summit” was released in a joint declaration of leaders at the summit ([www.cfr.org/proliferation](http://www.cfr.org/proliferation)).

Throughout the 1990s, the UN Security Council reform remained an important issue on the multilateral agenda, as well as other items like the need to strengthen the role of the UN in peace keeping operations and international security and its ability to enforce human rights. Korea had an active role in

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<sup>10</sup> With respect to unresolved bilateral issues, the Chinese government requested to Korean President Park to postpone the summit meeting scheduled for May 2013, on the ground of recent diplomatic difficulties with Japan relating to the control of Senkaku islands, named by Japan, and Diaoyu, according to China.

these important UN initiatives as well in those related to multilateral security cooperation in East Asia, with the adoption of a September 2005 Joint Statement at the Six-Party Talks. In addition, Korea contributed to the success of regional cooperation promoted by Apec, Asean+3, and Asean Regional Forum (ARF), as well to the first East Asia Summit held in Kuala Lumpur in December 2005 which brought a new perspective to multilateral diplomacy to the region (<http://www.aseansec.org/aadcp/repsf/abouteastiasummit.html>).

With the end of the Cold War South Korean foreign policy underwent rapid political, economic, and cultural transformations; its scope became global and included expanded trade and economic relations with most countries. Only two years after joining the United Nations Korea was contributing effectively to UN peacekeeping operations in Somalia and Angola (1993); in November 1995 the country was elected for the first time to occupy a non-permanent seat of the UN Security Council. In the following years Korea continued to contribute with troops to UN peacekeeping operations, including the UN East Timor mission. In October 2006 Ban Ki-moon, a diplomat and former Minister of Foreign Affairs, was elected the 8<sup>th</sup> Secretary General of the United Nations. In June 2011 he was elected for a second term which will end in 2016. After 15 years South Korea succeeded in being elected for a second time as a non-permanent member to the UN Security Council for the period 2013-2014. These and other initiatives are evidence of Korea's assertive role as a global actor.

### *Policy directions and strategies*

On the basis of the argument that Korea is a nation of trade, its Ministry of Trade, Industry and Energy (Motie), intends to "strengthen cooperation with established and emerging international partners to deepen existing bonds and discover untapped opportunities". To achieve these goals it relies on "Four Policy Directions": 1) Expand Export Markets; 2) Attract Foreign Direct Investment (FDI); 3) Pursue Bilateral Trade Agreements; and 4) Intensify Ties of Major Trading Partners. The strategies to intensify ties with major trading partners and to expand economic partnerships to emerging markets are summarized in Table 2 (Annex). The major trading partners are defined as the USA, the European Union, China and Asia, while the Middle East, Russia/CIS, Central and South America, parts of Asia, and Africa are considered Emerging Markets (<http://www.motie.go.kr>).

Since the establishment of a FTA Roadmap in 2003, all Korean governments have concluded and/or are in various stages of the process of negotiating FTAs with several countries, as shown in Table 3 (Annex). The table exhibits also import/export data for 2011 of Korea's trade partners; its six

most important trade partners, in terms of volume of trade in US dollars, are: 1) China showing over 220 billion; 2) Asean with almost 125 billion; 3) the Gulf Cooperation Countries (GCC) close to 113 billion; 4) Japan almost 108 billion; 5) the European Union over 103 billion; and 6) the USA close to 101 billion.

The first FTA was signed with Chile in 2004. In 2006 Free Trade Agreements were signed with Singapore and EFTA, the following year Korea signed a FTA on goods with Asean, and in 2008 a similar agreement was concluded with Turkey. The two most recent agreements were concluded with Peru (8/2011) and the USA (3/2012). Several other agreements are under negotiation. It is interesting to observe that Korea has pursued FTAs not only with its most important trade partners, but also with countries with which it maintains a relatively small volume of trade, such as Mongolia. As one of its “policy directions”, the Free Trade Agreements have been used by the Korean Government as a strategy to accomplish its objectives as a trading nation, and as a tool to open new markets and to reduce barriers. However, some critics have pointed out that FTAs alone do not motivate companies to seek new exports (MOFAT, 2012).

## Conclusion

The main objective of this paper was to examine and analyze South Korea’s expanding regional and global roles, in view of its remarkable economic success story at the national level. Yet the country played a somewhat marginal role at the regional and global levels at least until the middle of the 1990s. As pointed out, in about four decades South Korea underwent a transformation from a poor, agrarian and traditional society, impoverished by the war, into an industrialized, technologically advanced, urbanized and modern country, in which the majority of the population enjoys high living standards. This process of economic growth is referred to by Koreans as the “Miracle on the Hangang River”.

Historical records show that due to its geopolitical location Korea was in the past the object and victim of great power rivalry and maneuvers, with the result that it was under Japanese occupation from 1910 to 1945. Thus one can understand that the country leaders have become uneasy for being squeezed in between the second and the third world economies, China and Japan, respectively, and therefore their efforts to turn the country’s economic success story into a political asset both at the regional and global levels. It seems clear, however, that in addition to its undeniable economic success story, external factors play an important role in Korea’s determination to become a stronger regional and global player: the domestic and international poli-

tics and the consequent strategies implemented by Japan, China, the United States, and of course the present and future relationships among them. The relationships between the US and China, in particular, to a large extent may determine what will happen in East Asia and in the Korean Peninsula. Despite their major differences, the US and China have become mutually dependent and have strengthened cooperation in several areas, especially in the context of multilateral organizations. As data have shown, China has become Korea's number one trade partner, while the US is now only the 6<sup>th</sup> Korean trade partner. On the other hand, Korea is heavily dependent on the US for security and military assistance. Therefore, a general expectation is that the new Korean government will continue playing a kind of pendulum strategy between the two major powers.

In addition, President Park is generally expected to follow a more moderate and more flexible stance towards North Korea than former President Lee. She has also defended a more balanced foreign policy, although insisting on the importance of the US-South Korea Alliance; but at the same time she appears inclined to deepen and strengthen relations with China, and this was demonstrated when she sent a first special envoy to China, while all her predecessors sent their first special envoy to the US. North Korea's provocations, recent nuclear test and rocket launch represent additional difficulties for President Park, and may provide arguments for South Korean nationalists and hardliners to try to influence her policies toward North Korea. The Japanese Prime Minister Abe is also apparently using North Korea's provocations to justify his nationalistic tones and arguments to try to convince President Barak Obama to strengthen and deepen the US-Japan alliance. Despite its undeniable economic and political achievements, South Korea is not strong enough to maintain an expanding and eventually a relatively dominant role in the region neither on a global basis. The situation is complex and requires Seoul diplomatic ability, and as opposed to President Lee who often took sides in favor of the US and Japan, the new government seems inclined to follow a neutral or at least a more balanced policy with respect to US-China rivalry as well as with respect to China-Japan unresolved issues.

It was clearly demonstrated that since the middle of the 1990s, and thanks to the implementation of its summit and resource diplomacies, and more recently new policy directions and strategies, and specially due to the determination of its leaders, South Korea has gained important political positions in the world; such gains have contributed significantly to enhance its global and regional roles. However, additional studies focusing on new and diverse aspects that were not possible in the present paper will certainly bring new findings and may shed new light on the subject.



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## ANNEX

**Table 1. South Korea's GDP Growth and Per Capita GNI  
For the period 1970-1911**

| Year | GDP Growth<br>(US\$ billion) | Per Capita GNI<br>(US\$) |
|------|------------------------------|--------------------------|
| 1970 | 8                            | 254                      |
| 1980 | 64                           | 1,645                    |
| 1990 | 264                          | 6,147                    |
| 2000 | 512                          | 10,841                   |
| 2007 | 1,049                        | 21,650                   |
| 2008 | 931                          | 19,231                   |
| 2009 | 834                          | 17,175                   |
| 2010 | 1,014                        | 20,755                   |
| 2011 | 1,116                        | 22,489                   |

Source: Table organized by the author based on data available at the Website of the Bank of Korea (www.eng.bok.or.kr, retrieved on July 10, 2013)

**Table 2. South Korea's Strategies to Intensify Areas for Cooperation with Major Trading Partners and Expand Economic Partnership to Emerging Markets**

| Countries and regions     | Strategies/areas for Cooperation and to expand partnership   |
|---------------------------|--|
| USA                       | Establish an Industrial Cooperation Committee. Expand cooperation in industry and technology. Identify and address obstacles for trade.  |
| European Union            | Promote Industrial and Technical Cooperation Committee activities with individual member countries. Provide support programs to better enable companies to benefit from the proposed Korea-EU FTA. |
| China                     | Support local companies in enhancing competitiveness for the Chinese market. Expand channels for bilateral cooperation. Assist Korean firms with obstacles they encounter in the Chinese market.   |
| Asia                      | Hold an IR (Investor Relations) meeting in Japan. Increase transnational cooperation between parts and materials companies.  |
| The Middle East           | Attract Investment; Explore new markets. Export plants.  |
| Russia/CIS                | Develop energy resources. Explore new markets.   |
| Central and South America | Develop energy resources. Explore new markets.   |
| Asia                      | Explore new markets. Pursue industrial cooperation. Reduce costs.  |
| Africa                    | Develop energy resources. Pursue industrial cooperation.   |

Source: Table organized by the author on the basis of information available at the website of the Korean Ministry of Trade, Industry and Energy ([www.motie.go.kr](http://www.motie.go.kr), retrieved on June 2013)

**Table 3. South Korea Export, Import data, and the state of FTA initiatives between South Korea and individual countries as listed, plus Central America, Mercosur, European Union, EFTA, GCC, and Asean (\*)**

| Countries     | Export 2011<br>(US\$ bn) | Import 2011<br>(US\$ bn) | State of Free Trade Agreements<br>(FTA)  |
|---------------|--------------------------|--------------------------|--|
| USA           | 56.207                   | 44.569                   | Implemented 03/2012  |
| Canada        | 4.927                    | 6.611                    | 13 <sup>th</sup> round of negot. 03/2008   |
| Chile         | 2.381                    | 4.857                    | Implemented 04/2004  |
| Colombia      | 1.613                    | 380                      | Negotiations Initiated 03/2012   |
| Mexico        | 9.729                    | 2.315                    | 2 <sup>nd</sup> round of negotiation 6/2008  |
| Peru          | 1.367                    | 1.750                    | Implemented 08/2011  |
| Mercosur      | 13.319                   | 7.518                    | Joint study concluded 05/2011  |
| Central Amer. | 4.696                    | 985                      | Joint study concluded 05/2011  |
| E. Union      | 55.726                   | 47.423                   | Provisionally implemented 07/2011  |
| EFTA          | 1.817                    | 5.177                    | Implemented 09/2006  |
| GCC           | 17.270                   | 95.459                   | 3 <sup>rd</sup> round of negotiations  |
| Israel        | 1.817                    | 683                      | Feasibility study concluded 08/2010  |
| Turkey        | 5.070                    | 804                      | FTA on goods signed 08/2008  |
| China         | 134.185                  | 86.432                   | Negotiations launched 05/2012  |
| India         | 12.654                   | 7.893                    | CEPA Implemented 01/2010 (**)  |
| Indonesia     | 13564                    | 17.216                   | Negotiations launched 07/2012  |
| Japan         | 39.679                   | 68.320                   | 2 <sup>nd</sup> round of consultation 05/2011  |
| Malaysia      | 6.275                    | 10.467                   | Agreed to conduct jt. Study 05/2011  |
| Mongolia      | 349                      | 60                       | Agreed to conduct jt. Study 10/2008  |
| Singapore     | 20.839                   | 8.966                    | Implemented 03/2006  |
| Vietnam       | 13.464                   | 5.084                    | Negotiations launched 09/2012  |
| Asean         | 71.801                   | 53.120                   | FTA on goods implemented 06/2007<br>FTA on services implem. 05/2009<br>FTA on investment implem. 09/2009 |
| Australia     | 8.163                    | 26.316                   | 5 <sup>th</sup> round of negotiations 05/2010  |
| New Zealand   | 1.103                    | 1.474                    | 4 <sup>th</sup> round of negotiations 05/2010  |

Source: Table constructed by the author on the basis of information available at the website of the South Korean Ministry of Trade, Industry, and Energy. Trade: Opening new opportunities (<http://www.motie.go.kr>).

Notes: (\*) EFTA = European Free Trade Association; GCC = Gulf countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates); (\*\*) Comprehensive Economic Partnership Agreement.