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# South Korea: A Pivotal State under Construction

By Ramon Pacheco Pardo | 22 Sept 2022

## Key Issues

- The government of President Yoon Suk-yeol wants to transform South Korea into a Global Pivotal State (GPS). This will require South Korea taking a more proactive approach to foreign and security policy matters beyond the Korean Peninsula and Northeast Asia.
- The Yoon government is making the US the cornerstone of its foreign policy and supports Washington in its competition with Beijing. But there is no intention to decouple from China, neither economically nor politically.
- South Korea is strengthening ties with regional partners including Australia, India, Southeast Asia, as well as in Europe and NATO, as a way to better navigate US-China competition.

President Yoon Suk-yeol has vowed to transform South Korea into a [Global Pivotal State](#), or 'GPS' for short. In Yoon's view, South Korea needs to 'step up' as a foreign policy actor and become a more active player in global affairs beyond the Korean Peninsula and Northeast Asia. Certainly, this approach to foreign policy is not new and can be traced back to at least the early 1990s. In striving to build a GPS and talking about stepping up engagement is the perception that Moon Jae-in, the previous South Korean president, spent much of his time dealing with North Korea and neglected other foreign policy areas. While this is debatable, Yoon's foreign policy team is making clear that its foreign policy ambitions go well beyond the Korean Peninsula. This team includes experienced and respected experts, led by National Security Advisor

Kim Sung-han and Foreign Minister Park Jin, helping to compensate for President Yoon's inexperience in foreign policy matters.

During a recent six-week stay in South Korea, I had the chance to conduct more than 100 interviews and meetings with government and opposition figures, officials at various ministries, businesspeople, and experts. This Policy Brief draws on these conversations; I appreciate my interlocutors for generously sharing their time.

Leaving North Korea policy aside, three key themes crystallised from these conversations:

(1) Wide agreement that relations with the US is the number one priority, but also wariness of being dragged into policies that are not in South Korea's interest.

(2) 'Standing up' to China, when necessary, but there is no appetite to 'decouple' either economically or diplomatically.

(3) Diversification of South Korea's foreign relations to continue, prioritising Southeast Asia, Australia, Europe, India, Japan, and NATO.

All in all, President Yoon sees GPS as central to pursuing South Korea's long-cherished goal of developing an autonomous and independent foreign policy. He also sees the foundation of GPS anchored in a combination of interests and values. This matters since over the years there have been misguided analyses that Seoul's foreign policy is driven by a 'trade-only' agenda. In addition, South Korea is now more openly seeking to apply reciprocity in its foreign policy actions, as a way to realise its core interests. By way of example, the invitation to join NATO's June Madrid summit has contributed to strengthening relations, not only with NATO, but also the US – the main proponent behind the invitation of South Korea and the three other Asia-Pacific partners. On the other hand, the snub by the German presidency of the G7 has affected the way Yoon's foreign policy team sees relations with Berlin – and, by extension, to a certain degree with the EU. This reflects a growing notion in South Korea that it should not be 'taken for granted', as it wants to be part of a conversation instead of simply being told what to do.

### **The ROK-US alliance: the cornerstone of Yoon's GPS**

It is the priority of the Yoon government to strengthen the ROK-US alliance in traditional and new areas, making Washington the cornerstone of its foreign policy strategy. Thus, South Korea publicly takes the side of the US in its geopolitical, geo-economic, and technological competition with China. Signing up to President Joe Biden's Indo-Pacific Economic Framework for Prosperity (IPEF) and the Chip 4 Alliance prove this point. Seoul has also indicated its readiness to join the Quad. This endeavour was somehow reduced following the open split between the US, Japan and Australia, on the one hand, and India on the other due to diverging views on how to respond to Russia's invasion of Ukraine.

Another indication is that the North American Affairs Bureau of the Ministry of Foreign Affairs is in the lead of drafting Seoul's upcoming Indo-Pacific strategy. This will result in all likelihood in prioritizing strong relations with the US. This is in line with the previous Moon government which had linked its New Southern Policy to Washington's Indo-Pacific policy; towards the end of Moon's tenure coordination with the US became closer. This continuity should result in cooperation in maritime security, cybersecurity, development assistance and COVID-19 vaccine provision. Making values central to South Korea's upcoming Indo-Pacific strategy is seen by some foreign policy-makers as a path towards developing a 'New Southern Policy with values'. This could lead to a correction of the alleged overemphasis on trade and arms sales of the previous president's signature foreign policy initiative.

As has been noted by South Korean and some US analysts, Yoon is making a sincere effort to mend ties with Japan. In this context, boosting trilateral South Korea-US-Japan cooperation is a top priority. This includes areas such as intelligence sharing, deterrence of North Korea and, quietly, China and maritime security. The emphasis on trilateralism with Washington and Tokyo dovetails with the policies of previous conservative presidents Lee Myung-bak and Park Geun-hye. Thus, closer cooperation with Washington could facilitate a rapprochement with Tokyo. The bilateral meeting in New York in the margins of the UN is another promising sign.

Concerning China, many policy-makers, businesspeople, and experts in South Korea are against a direct confrontation with Beijing. In private, they see Biden's economic policy as 'America First with a smile'. Biden's tax credits for US-made electric vehicles under the Inflation Reduction Act (IRA) clearly demonstrates this approach. This not only impacts South Korea but also other countries' willingness to work with the US to 'isolate' China. Many observers see Seoul in good company with the EU and Southeast Asian countries, who are also wary of engaging in a full-blown confrontation with Beijing.

Therefore, it does not make sense for the Yoon government to put all its eggs in the American

basket—especially with the threat of Trump or a Trumpian president winning the next US presidential election in two years' time. Consequently, South Korea has to avoid falling into the trap of losing its room to manoeuvre independently as a result of stronger South Korea-US relations. At the same time, South Korean decision-makers recognise that the Biden administration is indeed consulting with them on a whole range of issues. They also believe that Biden is making a sincere effort to include South Korea in its minilateral and multilateral policy initiatives. This matters, and has created goodwill towards the US president, although his 'America First' economic policy is criticized in private.

### **Standing up to China, but without decoupling**

The Yoon government regards President Moon's policy as too deferential to China. Regardless of the soundness of this claim, Yoon's approach to China is indeed informed by the willingness of South Korea

policy stance towards Russia and its invasion of Ukraine. South Korea is one of the few Asian countries to condemn the aggression and impose sanctions on Russia. On top of that, Seoul agreed in July to its largest arms sales ever to a NATO member, Poland. This occurred despite opposition from Russia and China, with Moscow warning Seoul not to provide any weapons to Central or Eastern European countries. However, South Korea took up the challenge and carried through the arms deal, demonstrating its willingness to stand up for its foreign policy interests.

There are, however, clear limits for South Korea to form an anti-China coalition. Economic decoupling from China is unrealistic and diplomatic decoupling undesirable, according to South Korean decisionmakers and business circles. The slowdown in the Chinese economy and US pressure induce South Korean companies to reduce links with China, especially in high-tech areas including the most

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to pursue a more forceful and values-driven policy towards its neighbour. Thus, Foreign Minister Park Jin implicitly rebuked Beijing for seeking to change 'the status quo by force' in the Taiwan Strait during a recent gathering of East Asian foreign policy leaders. He did not mention China by name, but the meaning was clear to those attending the gathering. In addition, the Ministry of Foreign Affairs explicitly rebuked China's claims that South Korea had agreed to restrict THAAD's operations. Nevertheless, the Yoon government came to believe that China is now worried about 'losing' South Korea, as Beijing is seeking to increase the number of meetings and agreements with Seoul.

Yoon's approach to China also informs what many in South Korea see as a de facto China-Russia alliance, with Beijing as the senior partner and Moscow as its junior counterpart. This approach has been on display, most notably, in the Yoon government's

advanced semiconductors and electric batteries. Notwithstanding these developments, China will remain South Korea's largest trading partner for the foreseeable future. Furthermore, South Korea still regards China as an important actor in managing inter-Korean tensions and the North Korean nuclear issue. Therefore, there is a need for Seoul to maintain sound diplomatic relations with Beijing. Like for others, China is a necessary partner for South Korea in fighting climate change or preventing future pandemics. Engagement in these areas will continue.

Concerning a common approach to China, it appears to be in Seoul's interests to join coalitions of 'like-minded' partners, while limiting the number of bilateral spats with Beijing. Therefore, President Yoon was ready to join the NATO summit and IPEF. It also explains his disappointment of not being invited to the G7 gathering. South Korea-US-Japan

trilateralism also fits this mould; as does cooperation in Quad-Plus initiatives—with the caveat mentioned above.

**Diversifying foreign policy partnerships: the long-term South Korean goal**

The Yoon government is continuing the security and economic policy diversification path trailed by previous presidents. Most notably, Seoul sees Southeast Asia, Australia, Europe, India, or NATO as key partners. Along these lines and as previously explained, South Korea wants to improve relations with Japan. At the risk of oversimplifying, South Korea seeks these partnerships as a means to; (i) strengthen its voice in foreign affairs and (ii) better navigate the Sino-American strategic competition. This diversification fits with Seoul’s quest for a more autonomous and independent foreign policy.

Diversification of foreign policy links covers a wide range of areas ranging from arms sales to imports of natural resources, to development assistance. The Yoon administration is focussed on developing security links, in line with its predecessor’s endeavour to present South Korea as a reliable security partner. Stronger links with NATO have become a key foreign policy priority. They underscore Seoul’s self-perception that it adds value to security partners and coalitions while benefitting in turn from these partnerships.

The arms deal with Poland has become symbolic of this new emphasis on security, although this is not the first one. President Moon had signed a landmark security agreement with Australia in December 2021 which included sales of arms. South Korea’s arms transfers, both sales and donations, to several Southeast Asian countries including Indonesia, Philippines and Vietnam have a long tradition. The agreement with Warsaw stands out as it is the largest-ever with a NATO member; the Polish government explicitly mentioned South Korea’s reliability as a key reason for the conclusion of the deal. This matters for Seoul’s reputation and standing. Furthermore, security links with the EU in areas such as cyber, supply chain resilience, or upholding multilateralism have been growing in recent years. The Yoon government is expected to

continue this path.

In terms of economics, diversification is crucial for South Korea, either through gaining new partners or to strengthen relations with old ones. South Korean companies eye Southeast Asia and India as key markets and (potential) manufacturing hubs.

Trade and investment links between South Korea and the EU have grown significantly since the free trade agreement entered into force in 2011. However, Central Asia and Latin America are two regions with which South Korean economic links grow at a faster pace.

While it is still unclear which trade strategy the Yoon government will pursue, it is not expected to differ much from that of his predecessors, who looked for free trade agreements and investment treaty opportunities beyond the ‘big three’ of China, the EU, and the US.

Compared to previous governments, the Yoon administration is more likely to assertively apply reciprocity in its foreign policy actions. This is particularly relevant for the EU and NATO, given that South Korea is one of the few countries supporting Ukraine’s war effort against Russia.

The Biden administration, Australia and Southeast Asian countries are generally good at consulting with South Korea and engaging in a reciprocal relationship in their foreign policies, although there are exceptions such as Washington’s aid for US-based electric vehicle manufacturers. NATO, seeking venues for cooperation, seems to be consulting with the Yoon government extensively too.

The core elements of President Yoon’s foreign policy strategy are emerging. South Korea will prioritize stronger relations with the US while being wary of taking an ‘America only’ approach; and it will stand up to China when necessary but will not seek to break all links with its neighbour. The process of diversifying South Korean foreign policy and moulding South Korea into a Global Pivotal State will continue – whether successful or not, the jury is still out.



## ABOUT THE AUTHOR

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