

# The New Southern Policy Plus: What's New and What's Next?

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## I. Introduction

The Republic of Korea (ROK) announced its New Southern Policy (NSP) in 2017, at the start of President Moon Jae-In's term in office. The NSP's renewed iteration as NSP Plus in 2020 distinguishes the ROK's approach to its relations with ASEAN countries collectively under the ASEAN-ROK Dialogue as well as individually with each of the ASEAN member states.

Initiated as the foreign policy initiative of President Moon Jae-In, the NSP differentiates the ROK's engagement with ASEAN from China's dominance in ASEAN Plus Three cooperation, and from the "heart-to-heart" principles that underpin Japan's policy towards Southeast Asia and ASEAN. Southeast Asian and Korean analysts have remarked that NSP is the "signature foreign policy" of President Moon, building on previous administrations' policies to signal a stronger diplomatic engagement and presence in Southeast Asia. Others view this move

as having the potential to provide a "bilateral-multilateral nexus" via its objectives to bring ROK's relations with Southeast Asia (and India) on par with the attention accorded to the United States, China, Japan, and Russia. Indeed, the ROK's foreign policy was traditionally refracted through the lens of its engagement with these four powers.

The NSP was thus a watershed point of sorts in the ROK's foreign policy. The NSP also seemed to be the closest that a Dialogue Partner of ASEAN has sought to align its domestic interests with ASEAN's community-building aspirations. The NSP's 3P strategy of "People, Peace and Prosperity" echoes ASEAN's priorities to achieve peace and prosperity for the peoples of ASEAN. The NSP, in both its original and renewed forms, also evokes the spirit and arrangement of ASEAN's Initiative for ASEAN Integration (IAI). The NSP views the Mekong sub-region as one of its cornerstones, and in this context seeks to engage more with

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the ‘newer’ members of ASEAN: Cambodia, Myanmar, Laos and Vietnam, with a view to boosting their participation and activities in ASEAN-ROK activities across the security, economic and social spheres. The NSP Plus carries this further in its programmatic initiatives to strengthen resilience of the Mekong region, within the broader context of ASEAN’s recovery from the Covid-19 pandemic.

## II. The NSP’s “Plus” factor

President Moon Jae-In announced the NSP Plus at the 21st ASEAN-ROK Summit on 12 November 2020. President Moon Jae-In updated his ASEAN counterparts in November 2020 that the NSP Plus reflected the changing needs of Korea and the ASEAN member states in the context of the pandemic.

The NSP Plus thus recognizes the need to respond and adapt to complex emerging situations proactively. The socio-economic impact of the Covid-19 pandemic – with attendant political consequences – has amply highlighted this need. Analyses and comments assessing the 2017 NSP’s relevance also prove useful inputs for developing the NSP Plus priorities beyond the broad geo-political and geo-economic considerations underpinning the 2017 NSP’s policy thrusts and projects.

The 2017 NSP had a strong focus on economics (albeit born of strategic reasons), leveraging on the ROK’s economic presence in several ASEAN countries since the 1990s. According

to the ASEAN Secretariat, preliminary data for 2019 place the ROK as ASEAN’s fifth largest trading partner, and rank it seventh among external sources of Foreign Direct Investment (FDI) income to ASEAN. The Council for Security Cooperation in the Asia-Pacific (CSCAP) Regional Security Outlook for 2020 included an observation that the CLMV countries featured prominently in the ROK’s economic and FDI considerations for ASEAN, with 70% of the ROK’s FDI to ASEAN directed at CLMV countries, and the ROK ranking among the top investors in CLMV countries. However, ASEAN academics have cautioned that the ROK’s economic engagement with ASEAN was “disproportionately directed” at Vietnam, while the ROK’s share of investments in ASEAN remained “modest” when comparing the pre- and post-NSP scenarios. On the security front, the NSP seemed to conflate ASEAN’s convening power and peace-oriented values, and the cordial relations that several ASEAN members enjoy with both Koreas, with the ability to broker peace in the Korean Peninsula. This caused some confusion on what the NSP really sought to achieve, despite the ROK’s clear commitment and desire to present a cooperative regional policy to ASEAN and India as its “new southern partners.”

Additionally, the NSP’s diplomatic rhetoric did not seem to have affected Southeast Asian policy communities’ view of the ROK’s role and reach. In the ISEAS-Yusof Ishak Institute’s “State of Southeast Asia 2020” survey, ASEAN respondents ranked the ROK’s ability to provide leadership in championing the global free trade

agenda third lowest (2.7%) before India (1.8%) and Russia (1%). The CLMV countries displayed the lowest confidence.

The ROK also received a low ranking (0.9%) on perceptions of its ability to provide leadership in maintaining rules-based order and upholding international law, and as a “third party” for ASEAN to turn to in balancing US-China strategic rivalry (3%). As a preferred strategic partner for ASEAN countries, the ROK ranked second lowest regionally. And, despite the increase in the number of ASEAN visitors to the ROK (up to December 2019), the ROK lagged behind Japan, EU countries, the United States, the United Kingdom, New Zealand and Australia as a preferred tourist destination. The ROK is also not on ASEAN’s preferred destination for study.

The bright spot, however, is ASEAN’s preference for Samsung (38.5%) as the “developer of choice” over other competitors in the race to build 5G networks in the region.

The NSP Plus in 2020 has taken into account the various feedback received on the 2017 NSP’s strategic thrusts, and, more importantly, the urgency of responding to recovery needs arising from the Covid-19 pandemic. The NSP Plus thus directs all its attention to working with ASEAN member states on recovery from the multi-faceted challenges thrown up by the Covid-19 pandemic. This “plus” factor for the NSP Plus provides the policy with the much-needed impetus and depth that the 2017 NSP – with its broad agenda – aspired to but did not quite reach.

Perhaps in tacit acknowledgement, the NSP Plus has fewer strategies under the overarching

focus on recovering from Covid-19 and preparing for the post-pandemic era. The NSP Plus’ seven core strategies are all linked to building back better economic and health systems, and addressing non-traditional and human security challenges. The NSP Plus also has a more pronounced focus on the people; it emphasizes the pandemic’s impact on health, education and human capital, and place these concerns at the center of proposed recovery efforts.

The NSP Plus also states its alignment with the ASEAN Comprehensive Recovery Framework. ASEAN members such as Myanmar, Indonesia, the Philippines, and Cambodia have received Covid-19 assistance from the ROK, in addition to the ROK’s pledges of \$1 million to the ASEAN Covid-19 response fund (in April 2020) and \$5 million worth of medical equipment to ASEAN member states. In June 2020, the ROK had launched a \$5 million project on enhancing ASEAN’s Covid-19 detection capacity.

### III. NSP in the “Next Normal” – What Lies Ahead?

The NSP’s three Ps – people, prosperity and peace – continue to serve as a policy framework for the ROK’s interactions with its Southeast Asian partners. This continuity now underscores “people first” in the NSP Plus’ focus on Covid-19 recovery. This “people first” emphasis will serve the NSP Plus well in the “next normal” which McKinsey defines as the new situation emerging in the post-pandemic era. With vaccines now in sight for most populations in

Southeast Asia, the challenge for governments in the region will be on managing and balancing different sentiments and expectations in the haste to return to normal. But this new or next normal implies a fluid, dynamic state of affairs, rendered more so by the many unknowns about the Covid-19 virus and its progression. Constant adjusting to emerging needs may well become the norm.

In such situations, uncertainties will be felt most in areas that require continuity the most: education (and training), and business. The NSP Plus strategies recognize this need by identifying priorities for education and human resource development, rural and urban infrastructure development, and digital transformation to meet the challenges of the Fourth Industrial Revolution. But ASEAN's diversity requires a diversity of approaches to successfully achieve these broad strategies.

For example, the NSP Plus rightly recognizes that the ROK, ASEAN and India value education. It also pinpoints the importance of ensuring safe and equitable education opportunities online. For many children in ASEAN countries, this requirement may be as basic as having a laptop and internet connection. For education authorities, this may translate to building teachers' capacity to develop and deliver online classes effectively, and to conduct exams in a safe and efficient manner. Thus, the projects to give effect to the NSP Plus priority on education will need to consult the different ASEAN members' needs and adapt the ROK's assistance to suit

these needs. Similar consultations will be necessary for the other strategies. This consultative approach to program-planning is not new for ASEAN; it has been employed in the successive IAI mid-term reviews and Work Plans to meet evolving needs of recipient countries.

Building on the NSP implementation experience, and in recognition of the uneven impact of the Covid-19 pandemic on different populations in ASEAN, the ROK may consider the following operational dimensions of implementing the NSP Plus' strategic thrusts.

First, consultation of ASEAN's collective and individual needs on each of the core strategy areas, leveraging on the ROK's willingness to share and adapt its successful practices to meet the needs of its ASEAN partners.

Second, synchronizing or aligning the NSP Plus' regional thrusts with the ROK's bilateral programs in the ASEAN countries, to ensure a seamless continuity of matching regional-level support with in-country requirements.

Third, instituting a periodic or mid-term review mechanism for the NSP Plus implementation may help early identification of areas or priorities to adjust or revise, taking into account emerging needs and concerns.

Ultimately, the ROK's NSP niche will be the quality of its impact, in areas where the ROK's strengths speak most to its "new southern neighbors." **KIEP**