



Mains Practice Question

Q. India's 'Act East Policy' is strategically complementary to South Korea's 'New Southern Policy' in the Indo-Pacific. Examine the advantages, potential and challenges of India South Korea bilateral ties in this context. (250 words)

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Approach

- Explain in brief the objectives of two policies
- Examine the advantages, potential and challenges of India South Korea bilateral ties.

Introduction

- The Korean government's New Southern Policy aims to cultivate its relations with ASEAN and India as key partners in the southern region.
- It focuses on economic cooperation and building a prosperous and people-centric community of peace in the South Asian region.
- India's Act East policy encourages further economic engagement, reinvigorating cultural and tourism relations, and developing new strategic partnerships with countries in the Indo-Pacific region.

Body

Advantage:

- **Democratic governments in both countries:** India and Korea are the third and fourth largest economies in Asia and share a strong bond of friendship based on shared commitment to the values of democracy, open society and liberal international economic order.
- **Mutual Economic benefits:**
 - The bilateral trade in 2017 grew by 30 percent on both sides from the previous year, reversing a negative trend that had started in 2011.
 - Investment flows have gained momentum, with Korean firms having plowed nearly \$3.5 billion in the last three years into India's automobiles and auto components, electronics, chemicals, technical textiles, food processing, finance and other industries.
 - Boost to Make in India - Inauguration of Samsung's refurbished factory in Noida which is expected to be the company's largest mobile phone production unit anywhere in the world. The LG Electronics, which has two manufacturing units in India, also wants to make India its export hub.
- **Strong Cultural links:** The Agreement is being signed under the provisions of India Republic of Korea CEPA; it would enable co-production of films, animation and broadcasting programmes. The Agreement would enable opportunities for collaboration between Indian and Korean film industries, and facilitate collaboration and exchange.

Potential:

- In the economic sphere, India and South Korea's core competencies are different, and they are

each positioned to gain tremendous benefits through their exchanges. South Korea is rich in capital and technology, and India has a huge market, and human and natural resources.

- If more people-to-people contact and cultural exchanges are promoted, the two countries would be able to articulate their economic complementarities and common strategic objectives in regional politics more comprehensively.
- India and South Korea could also contribute more constructively to the process of establishing an open and multipolar Asia in which inter-state relations are rules and norms-based, and where regional institutions to deliberate and coordinate divergent national interests are given more prominence.
- There is tremendous scope for redefining the contours of the bilateral defence cooperation by way of transfer of, and collaboration on co-development and co-production of projects related to defence equipment and technology.
- Electronics consumption is expected to grow to US\$400 billion by 2020 with the local production of only US\$104 billion. India currently imports mobile/ telephone sets worth more than one billion US dollar from South Korea. This needs to be converted into investments and local manufacturing.

Challenges:

- In 2011, bilateral trade between India and South Korea was around US\$ 20 billion and it remained same in 2017, apart from a period of decline and recovery. The Comprehensive Economic Partnership Agreement (CEPA) between the two countries, which came into force in 2010, has not been able to push economic exchanges between the two countries forward.
- South Korea is one of three countries India has a Special Strategic Partnership with – the others are Japan and Russia – but the depth of strategic understanding is less than that in its other two partnerships.
- **Challenging geopolitics:** India and South Korea also have unstable neighbourhood as North Korea and Pakistan and their destabilizing behaviour in the East and South Asian regions, respectively. On the issue of China's rise, too, both New Delhi and Seoul would like to maintain a more ambivalent position

Conclusion

Rather than expecting short-term reciprocity that might be beneficial to one party, both the countries should keep their eyes on the long-term win-win framework.