India-South Korea: From Economic Ties to Strategic Partnerships

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ABSTRACT
This paper examines how the decades-old Korean crisis still emits its toxic smoke of war in the region and blocks the developmental processes. The paper also looks at relationships between New Delhi and Seoul – two very significant countries of Asia. India is committed to promoting peace and prosperity with Seoul in the field of trade, defence and security. The friendship and commitment of these two developing countries to further expand their bilateral trade is the outcome of the relationships of last few decades. Both the countries have increased their trade volume from $20.55 billion in 2011 to $21.5 billion in 2018. The continuing war-like situation in the Korean region is a matter of concern for the whole world. The paper critically examines the Indian stand on the whole nuclear issues, peace in the region and the Indian economic interest in the long run vis-à-vis Korea.

Keywords: crisis, development, nuclear agreement, regional power, sanctions, India, Korea

INTRODUCTION
India and South Korea have deep friendly relations for a long time. These two Asian countries are not geographically very close to each other, but in terms of relations, they are very adjacent. South Korea is a very tiny country and a developed country, which has a strong economy and vast technological advancement and strength especially in terms of electronics item, automobile sectors. It is known for a stable economy and highest level of press freedom among the Asian counties. Due to its economy, it is the member of G-20 as well.

The Korean Peninsula was historically the outcome of a big kingdom in the late 7th century “Three Kingdoms of Korea”, and it was ruled by the Goryeo Dynasty (918-1392) and the Joseon Dynasty (1392-1897). In the process of power expansion, Empire of Japan annexed the Korean Empire in 1910 and treated as a colony until 1945. During the end of World War II, Japan defeated by the Allied Powers, and signed an Instrument of Surrender in 1945, afterwards the Korean annexation

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end. Korea was divided and administered control between the two superpowers. In a very short period, Korea becoming the Republic of Korea in 1948, but the political situation was still volatile in the region. The Korean War started in 1950 when North Korea began its invasion on South, and the long three years’ war ended in 1953 after the armistice signed on 27 July 1953. The destruction during the war suffered both countries and halted their industrial production, which affects the economy drastically. Since the war ended, the flame of enmity and difference still burns due to old conflict, both countries facing war like situation often.

South Korea ended its authoritarian rule in 1987 and given space to implement the most advanced democracy with a greater level of freedom for the press, which is not visible anywhere in Asia. The Korean borders are highly sensitive, and the United Nations and world leaders are always trying to calm down the war rhetoric which often comes from the ruler side. South Korea is doing economically good due to its vibrant plan of economic growth. In 2018 its GDP was 1619.42 billion US dollars, and it has 2.61 percent value of world economy that is a good sign of continuing economic progress in the competitive world even in the region, which is having China and Japan as some big economic players.

Even China is a neck to neck competitor of the US, and Japan is not less than anyone in the region, so the Korean GDP figure is substantial growth indicator of its economy. In the list of per capita income, South Korea lower than Ethiopia, Haiti and even Yemen and about 40 percent below than India’s in early 1950. Gradually the country improved its industrial output, agricultural production, exports of electronics items and improved a lot in all sectors. Korea was one of the emerging economies since 1965; South Korea’s industry growing at more than twice the North’s rate, GNP in the South has expanded at about one and a half time that of the North – about 12 percent annually compared with 7 percent to 8 percent. The approximate real Gross National Product (GNP) per capita for five countries for the year 1971 is given in Table 1.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Countries</th>
<th>1970 US $</th>
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<tbody>
<tr>
<td>1.</td>
<td>India</td>
<td>Less than 100 US $</td>
</tr>
<tr>
<td>2.</td>
<td>China</td>
<td>Roughly 150 US $</td>
</tr>
<tr>
<td>3.</td>
<td>North Korea</td>
<td>Roughly 300</td>
</tr>
<tr>
<td>4.</td>
<td>South Korea</td>
<td>About 250</td>
</tr>
<tr>
<td>5.</td>
<td>Taiwan</td>
<td>More than 400 US $</td>
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(Source: CIA Report, Intelligence Memorandum, May 1972, p. 7)

THE RIVALRY BETWEEN NORTH AND SOUTH KOREA TO NARROW DOWN PEACE

The rivalry and cloud of wars have always been around the Korean Peninsula. We often heard that North Korea is going to test missile and tension further increased there. Even the United States and North Korea continue to mount amid missile test and war taunts and rhetoric against each other’s to further escalate the war. The rivalry between North and South Korea started from day one when Japan defeated and signed the peace agreement with the US and its ally. In the peace agreement between Japan and the Allied power, both Korea become free from the Japanese colonial rule. However, the situation turns into worse, North Korea becomes the ally of USSR, and South Korea joined the American camp. Both governments took a new shape and joined the opposite camp.
The New York Times described the formation of both states.

In 1948, the American-backed, anti-communist southern administration, based in Seoul, declared itself the Republic of Korea, led by Syngman Rhee, who lived in exile in the United States for many years and was installed as the South Korean leader by the office of Strategic Services, a predecessor to the Central Intelligence Agency. Soon after, the Soviet-backed, communist northern administration, based in Pyongyang, declared itself the Democratic People's Republic of Korea. Its leader was Kim II-sung, who fought alongside communist forces during the Chinese civil war and was the grandfather of North Korea's current dictator, Kim Jong-un (New York Times, 01 January 2018).

The Cold War, which was already going on between two powers, chose the Korean land for their rivalry that turned into Korean War during 1950-53. The war was so devastating in which thousands of people killed more than double injured and displaced. There was no precise number which provides a proper figure, but as per the estimation around three to four million people were killed, among them mostly dead may have been civilians. The social harmony between the peoples badly damaged and enmity become the prime force to rule the Peninsula. Finally, both Korea signed the Armistice Agreement at Panmunjom on 27 July 1953, which halted the war temporarily but hostilities continue going on. Due to the highest level of conflict between these two neighbours, 20,000 American forces continue presence there, and one time hundreds of American weapons were based there for any further eventuality. The numbers of troops and nuclear weapons vary as per the political situation in the Korean Peninsula.

The three years long Korean War damaged infrastructure in both countries and even country structure but helped the world power to penetrate in the region in the absence of power vacuum. Japan also did the same crime during the occupation of Korea (1910-1945); they killed people to suppress their demand for freedom, and so on. During these three years, the state formulation completed. After the two years of Korean peace, the war broke up because the pressure comes from the different power block and for the domination of power in the region. South Korea started the path of peace and development instead of looking towards the military preparedness for the war. However, North Korea was rigid to build its military strength and neglected the people development.

The Korean Armistice Agreement which was made under UN command on July 1953 was purely in the interest of stopping the fight and substantial loss on both sides and it ended the hostilities due to the Korean War. Both sides agreed and created a four-kilometre wide buffer zone also called a 'Demilitarized zone' for the sake of peace. The Geneva conference held in 1954 and ended without a declaration for a unified Korea due to lack of political will from both sides. A unified command achieved after South Korea adopted a policy toward achieving a unified Korea under democratic reform, but North Korea seeks to a new debate of communizing in the entire Peninsula. Afterwards, there was an ongoing conflict between North and South Korea has been going on, the World has its keep its eye on North Korea’s next move.

However, the cloud of war still visible due to the colossal gap and coordination between countries and for this, North Korea is more responsible, which constantly threatening Seoul through missiles and nuclear arms. Regular missile tests by North Korea spreading fear and threat for South Korea, more than that it disturbing the peace in the region. India's always believe in the bilateral negation of any issues and don't want war in the region. India is also ready to mediate for the sake of peace.
and development in the region, which is the only solution visible for future peace in the Korean Peninsula. India’s relations and its economic and defence engagements with South Korea is the main reason for dealing with issues with an amicable way. Since more than 72 years of enmity did nothing but the height of arrogance and military build-up and arms race within the region for the sake of supremacy and tyranny. Unnecessarily arms race will bring the war in the region and India to believe in the peace due to its interest there.

INDIA-SOUTH KOREA RELATIONS SINCE 1973

India and South Korea had a long engagement, since May 1948 when the UN held the general elections, India was appointed as a Chairman for the nine-member UN Temporary Commission on Korea (UNTCOK) under Mr KPS Menon. During the Korean War, India deployed an Army medical unit to the 60th Parachute Field Ambulance, so the relations with indirect way started from the Korean War. The diplomatic relations between these two countries started officially since 1973, which is going on smoothly. The relations between the two countries are moving ahead despite the international situation and regional political complications. India is having a close association with other neighbours like Japan, North Korea and China and having distanced with any aggression or use of military power against each other. Recently Prime Minister of India, Mr Narendra Modi visited Korea and stressed on agriculture dominated the economy to an economy led by industry and services. He also said that India, as a country of 1.25 billion people, is going through a great transition, and its changing. His speech was mostly based on the economy, he said that...

India has emerged as a land of opportunities. While we work for realizing the ‘Indian Dream’, we seek like-minded partners. And, among them, we see South Korea is truly natural partner. India-Korea Business relations have come a long way in the past decade, and especially closer in the last few years. India is among top 10 trade partners of Korea and India is the 6th largest export destination for Korean goods. Our trade volume has reached 21.5 billion Dollars for the calendar year 2018. The negotiations to upgrade the Comprehensive Economic Partnership Agreement have been fast-tracked to achieve the bilateral trade target of 50 billion Dollars by 2030. Not just trade, in investment terms also we are seeing a positive turn. And, Koran investments into India have reached a cumulative figure of almost 6 billion Dollars (India’s PM Speech in Korea)\(^5\).

AN ECONOMICAL AND TRADE DEVELOPMENT BETWEEN TWO COUNTRIES

Since the end of the Korean War in 1953, Soul started development process across the country. Initially, the process was slow but post 1963 it’s become visible. In the 1960s, Korea embarked on the promotion of import and export, labour-intensive light manufacturing sectors like bicycles and textiles despite its agricultural subsistence. The quality of industrial teaching professional qualification and industrial skill training programmes also promoted, so the quality of industries improved a lot. They used technology obtaining through foreign licensing and adapted for domestic production especially electronics, and industrial goods.

The second oil crisis in late 1970 harmed the Korean economy. The economic condition for Korean substantially deteriorated in the late 1970s and the early 1980s, including internal and external factors of South Korea, which continue till 1997. As per the data of Bank of Korea Economic Statistics System which said that the GDP was 9-10 in 1970-71 decreased to -3 in 1980 and in 1997 it becomes stable at 5.2 (Bank of Korea, Economic Statistics System)\(^6\).
The next phased was started during 1980 onwards, the government use a structured and targeted industrial policy resulted in a significant shift to the development of heavy industries especially shipbuilding and chemicals factories. The industrial output increased substantially during these periods. Due to huge business development and production, South Korea was the “first Asian and first non-G7 country to host a summit of the G20, the unofficial steering committee of the world economy” (Marcus Noland: 2011).

Currently, the industrial production of South Korea climbed to 0.6 percent until this year in July 2019, which is a good sign. The manufacturing output also grew 0.8 percent, after shrinking 2.7 percent in June this year. Industrial production of South Koreas averaged 8.65 percent from 1976 until 2019. The journey of statistical graph of industrial production, which was ‘all-time high of 38.90 percent in July of 1976 and a record low of -25.30 percent in January of 2009” (Trading Economics).

In 2017, the trade figure has gone up to 20 billion US dollar, which is a good step towards the development, the subsequent development in the relationship open during the visit of President Moon in 2018 who sign several agreements. Both sides business committees agreed to raise the trade volume to US$50 billion in the next ten years.

In the result of these agreements, the South Korean companies who are running in India, such as Hyundai Motors, LG Electronics and Samsung are undertaking expansion activities. The visit of Moon was special, during that visit Prime Minister Narendra Modi inaugurated Samsung’s refurbished factory in NOIDA which is largest and worldly famous for mobile phone makers. The LG Electronics unit, which is having extreme demand in India which has two manufacturing units, now wants to open an export hub in India. Apart from this several other Korean firms started their business like Kia Motors, which has signed an MoU to invest about US$1 billion, and other is Lotte Group has also ready to invest US$ 3.5 billion in the next five years. So these investments no doubt indicating that New Delhi and Seoul are having strong bounding in the economy sector and investment figure is also going up every year to full fill the target of US$ 50 billion till 2030.

As per the MoU on Start-up Cooperation, which says “to promote collaboration among Start-ups and to set up of a Korea Start-up Centre (KSC) in India to commercialize ideas, technologies and designs of Start-up companies” (MEA Document, MoU).

The figure and data of India’s exports to South Korea increased insignificantly “from $3.72 billion in 2010-11 (the year the Comprehensive Economic Partnership Agreement (CEPA) was implemented) to $4.46 billion in 2017-18. It imports from South Korea jumped $10.47 billion in 2010-11 to $16.36 billion in 2017-18” (The Hindu, 10 July 2018).

In the joint statement at the end of the trip, both leaders asked businesses, including SMEs, to get into collaboration. They said “We urge the business community from both our countries to leverage opportunities arising from complementarities between the two economies, to enhance investment, to promote joint ventures, and to work towards the goal of raising bilateral trade to $50 billion by 2030” (The Hindu, 10 July 2018).

INDIA-SOUTH KOREA SECURITY AND DEFENCE TIES

India and South Korea had several agreements which were signed “during the visit by then Defence Minister AK Antony in September 2010, including MoU on Defence Cooperation, Defence Research and Development. India agreed to set up a Defence Wing at its Embassy at Seoul, which opened on 26 October 2012.” In the last two years, both countries engagement increased to look at the
security and defence deal, which is one of the prime sectors where India and Korea took interest and work out for futures transaction. India and South Korea are doing an excellent job in the defence sector, looking at defence potential and liberal law which attract the investment here. Recently Indian Defence Minister, Rajnath Singh visited Korea and figure out the possibility between two countries where the defence challenges can be addressed. During his visit he signed two agreements, one to extend logistical support to each other’s navies, and the second one to deepen defence educational exchanges.

India is currently having such relations with France and the US but also currently such negotiating with Japan. This defence agreement will strengthen India’s strategic relations further, and New Delhi will get some enhancement towards the Indo-Pacific region. India hardly has its presence in the Pacific, and due to current Chinese domination everywhere, India is looking at it to fit in the Pacific to counter the Chinese strength. India is also to increase its naval presence there and to use the South Korean military facilities in the coming future if it needed. In another significant development between two countries, both are ready to develop a roadmap that will strengthen India-Korea defence industry collaboration. The decision was taken by the Indian government not to use the Chinese systems and electronic components like defence electronics items.

In the MoU, fourth clause, which was signed on 22 February 2019, between Korean National Police Agency and Ministry of Home Affairs (MHA) provisions regarding combating transnational crime and developing police cooperation to boost-up the internal security were added15. The minister talked about more investment in India; he further said that “India offers tremendous business opportunity to Korean defence industries in India with liberalized licensing regime, attractive FDI provisions, strong and skilled industrial work-force, single-window clearances and establishment of Defence Investor Cell to facilitate investors and various other industry-friendly initiatives.”

INDIA EFFORTS TO STIMULATE PEACE IN THE KOREAN PENINSULA
Peace and negation is the only antidote of hegemony and aggression. In the Korean Peninsula, peace is under severe attack by some countries which want their domination in the entire region, which is not acceptable for a sovereign nation. India has a firm belief that war and aggression is not the solution to any problem. Instead, peace and negation would get a chance to sort out the regional differences. India is concerned to the region due to its high-level military confrontation and nature of provoking statements, and a frequent missile test by North Korea might escalate the war in the region. The destruction of war is not sweet, it’s sour and most of the country tested it, even North and South Korea, so Indian position is to handle the issue diplomatically rather than the opting war which is not for any nation. A small miscalculation may trigger the war, which is still looking avoidable, and the international and regional player is playing a vital role.
CONCLUSION
India-South Korea relations have been old and very concrete in the last forty-five years of diplomatic relations. Both countries are going ahead in trade & commerce, defence, tourism and academic exchange. India-South Korea signed many MoUs in the last 45 years of their diplomatic relations and every year they are adding new agreement in the list. They worked hard to boost up the trade from 1 billion, but the new proposed trade figure may touch to $50 billion till 2030 will be a big achievement. India is one of the emerging economies, military power in the world, which need partner across the continents, especially in the Indo-Pacific region. India does not believe in rivalry with any countries, like China, Japan and other regional players, but having good and trusted bilateral relations with the reliable friend is an excellent achievement in diplomacy.

In the absence of the powerful United Nations and the regional actor, the issue of war is still very much around in the region. India always sided with peace and development between the two neighbours, and New Delhi is unlikely to support any aggression and arms race in the region. However, India is always ready to play a role in the peace and prosperity in the region and negate any destruction in the region. India and South Korea have opted for mutual development and strengthening defence sectors for the peace and regional security requirement, which is necessary in the current unhinged world.

ENDNOTES
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