The Development and Responses of South Korea’s Eurasia Initiative: Realization vs. Illusion

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Abstract

The former South Korean President Park Geun-hye proposed “Eurasia Initiative” in 2013, which is regarded as an ambitious plan to shape the fundamentals of the global economy, diplomacy and the geography of national security. Whether it is feasible for South Korea to put the plan into practice or it is just an illusion as the idea of “Northeast Asia Balancer” is remained to be seen. South Korea has become a middle power in recent years that is for sure. As a result, the aim of the paper is to discuss the new development of the initiative and responses from the neighboring countries of “Eurasia Initiative”. Having reviewed those facts, one can say the Eurasia Initiative is somewhere between a realization and an illusion, and much leaning toward a realization.

Keywords: South Korea, Eurasia Initiative, economic integration, middle power

Introduction

The former South Korean President Park Geun-hye proposed “Eurasia Initiative” in 2013, which is regarded as an ambitious plan to shape the fundamentals of the global economy, diplomacy and the geography of national security. Whether it is feasible for South Korea to put the plan into practice or it is just an illusion as the idea of “Northeast Asia Balancer” that is remained to be seen. Before going further to discussing, it is necessary to introduce what “Eurasia Initiative” is all about.

In Park Geun-hye’s idea, “Eurasia Initiative” is promoting the concept of “one continent”, “creative continent”, and “peaceful continent”. That emphasizes the idea of the creation and development of South Korea with the countries of Eurasia by a single and unified system of transport, energy, trade networks, along with the implementation of economic cooperation and exchanges within the spheres of science, technology, and culture, including at the level of interpersonal relationships, and thus improving inter-Korean relations based on trust. However, the questions are why it was raised at this particular time, what measures needed to be taken to achieve the goal and what neighboring countries would react to the idea.

South Korea has become a middle power in recent years that is for sure. However, it is far from simple to see a middle power to achieve an ambitious plan by its own capability with the power base. As a result, the aim of the paper is to discuss the new development and responses from the neighboring countries on “Eurasia Initiative” in order to answer the question whether it is a realization or an illusion of that plan from the perspective of middle power. To aim at the target of the paper, firstly, it is to explain what criteria a middle power should have and whether South Korea is qualified to be a middle power in order to see how feasible is for South Korea to put “Eurasia Initiative” into practice.

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2 MOFA of ROK, “Remarks by President Park Geun-hye at the 2013 International Conference on Global Cooperation in the Era of Eurasia,”
Secondly, it is nearly impossible for South Korea to fulfill the plan without avoiding the negative reaction from North Korea, so the focus will be put on what development South Korea has made and how it will become a reality through getting rid of the obstruction from the North Korea. Thirdly, it is to discuss how much support South Korea has gained from the neighboring countries and whether it is enough for South Korea to make the plan possible to reach the goal. Finally, it is to analyze whether it is a realization or simply an illusion for South Korea to make “Eurasia Initiative” come true.

The Review of Middle-Power Role

The concept of middle power came from academia with examining Australian and Canadian foreign policy in the post-World War II era. Cooper, Higgott, and Nossal use four approaches to define middle power. The first approach emphasizes a middle power country’s hierarchical position in the world order; a middle power should have a population, economic size, and military in between those of small and large countries. The second approach highlights the geographic position of a middle power country as located “in the middle” of greater powers. The third approach focuses on the normative role of a middle power in the international system; a middle power should be diplomatically softer than superpower countries and pursue more virtuous, trustworthy, and generous ways. The fourth approach depends on a middle power’s behaviors; a middle power is friendlier to multilateralism and demonstrates “good international citizenship” in international organizations.

According to the above criteria, many South Korean experts believe that it has become a middle power definitely due to four reasons. Firstly, South Korea is positioned between larger countries such as China, Russia, and Japan, and the smaller countries like Taiwan, Mongolia, and North Korea; its population is approximately 50 million, the 28th largest out of 238 countries, with a 1.929 trillion US dollar (USD) of Gross Domestic Product (GDP) in terms of Purchasing Power Parity in 2016, ranking the 14th largest out of 229 countries.

Secondly, South Korea’s geographic location meets the second demand of a middle power. The Korean Peninsula is surrounded by West Sea (or Yellow Sea) to its left and by East Sea (or Sea of Japan) to its right, separated by the Straits of Korea from the Japanese Archipelago. 4 Thirdly, South Korea’s Official Development Assistance (ODA) has increased substantially in recent years, and South Korea spent approximately 1.915 billion USD for its ODA purposes in 2015, which can be seen as a big jump compared to 365.9 million USD in 2003; South Korea had deployed 641 military officers in seven Peacekeeping Operation (PKO) missions, including in India/ Pakistan, South Sudan, and Lebanon as of April 2017. 5 Also South Korea has hosted high-profile global conferences (notably the G20 and Nuclear Security summits) and co-hosted the first Eurasian parliamentary summit with Russia in Moscow that was attended by speakers from 19 countries. 6 All of these statistics and facts can be seen as qualified to match the third criteria. Fourthly, South Korea’s has been trying to build regional institutions since 1966 when Park Jung-hee proposed the Asian-Pacific Council (ASPAC) and his successors have consistently shown strong interests in multilateral approaches for deepening regional cooperation. 10

As Lim mentioned that former President Kim Dae-jung, formed the East Asian Vision Group and the East Asian Study Group in 1998 and President Roh Moo-hyun, Kim Dae-jung’s ideological descendent, supported Kim’s ideas. 11 Apart from meeting those materialist criteria, South Korea’s middle power identity has been strengthening by two other more or less like soft power factors.

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5 Eunjung Lim, “Ideals and Reality in Korean Continental Diplomacy: A Theoretical and Historical Review on Gas Pipeline Projects Involving South Korea”, Paper for the International Studies Association Hong Kong 2017, The University of Hong Kong.
6 Ibid.
9 Eunjung Lim, “Ideals and Reality in Korean Continental Diplomacy: A Theoretical and Historical Review on Gas Pipeline Projects Involving South Korea”.
10 Ibid.
Firstly, as Balbina Y. Hwang argued, since 1996 when South Korea joined the Organization for Economic Cooperation and Development (OECD), this new and unfamiliar status as a “modern” and significant country has profoundly altered South Korea’s national ambitions and broadened its ability to achieve them, even as the regional power structure and its attendant security challenges have remained mostly unchanged.

Secondly, According to a public poll by East Asia Institute (EAI) conducted in 2010, 76.8 percent of the respondents recognized South Korea as a middle power, while only 19.9 percent viewed their country as a weak or small power. In addition, 53.1 percent answered that South Korea should play a bridge-building role between developed countries and developing countries for resolving international problems.\(^\text{12}\) The results of this survey show that lots of Koreans are very positive about South Korea’s middle power role.

In the past, the role of middle power is usually ignored in the power politics of international society. However, middle power theorists pointed out that a middle power can “change the position of great powers and defend its own position on matters related to national or regional security that directly affect it”.\(^\text{13}\) In other words, the fact proves that applying the simple dichotomy, states that have structural level of influence and states that do not, to reality has limitations.\(^\text{14}\) Because some states change behaviors of great powers but others even fail to defend their own position in reality, it is necessary to separate a middle power from a smaller state.

However, it doesn’t mean that the middle power role of South Korea has not faced any challenges. For example, as Jeffrey Robertson argued that both electoral politics and personal vanity of leadership show an end to South Korea's middle power moment.\(^\text{15}\) The first reason for this argument is that the next administration may deter use the idea of middle power; the second reason is that it is natural for a presidential administration to favor short-term goals over medium to long-term goals with a single five-year term.\(^\text{16}\)

Nonetheless, Jeffrey Robertson’s argument simply focuses on the issue from the top-down perspective, if one sees it from the bottom-up perspective that will highly likely be another story. After all, most Korean people are proud of middle power role of South Korea that probably would shape the foreign policy from the top. On top of that, South Korea’s culture of innovation and its top-rate human resources allow it to do more in order to enhance greater middle power strength, which also should be a top priority for the future South Korean administration no matter who is in the office.\(^\text{17}\)

Besides, as Rongjun Ding argued, judging from the practices of past administrations in Seoul, the incumbent President Moon Jae-in is also likely to prioritize linking the two Koreas, China, Russia, Central Asia and Europe through roads and other transportation networks, because as a de facto sea-state contained by its northern neighbor, it is in South Korea's DNA to seek a way toward the continent.\(^\text{18}\) Therefore, it is fair to say that South Korea’s middle power position is with very little doubt, but the question remains how South Korea is able to realize “Eurasia Initiative” by its own middle power capacity.

**How Much Progress Has South Korea Made?**

One said that “Eurasia Initiative” was seen as a mere piece of a conceptual project serving only a secondary role to specific policies and economic project.\(^\text{19}\) Accordingly, in order to realize the ideals of “Eurasia Initiative”, lots of organization and research institutions of the Korean government have thus set to find ways and divide the research

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\(^\text{14}\) Ibid.


\(^\text{16}\) Ibid.

\(^\text{17}\) Sinclaire Prowse and Min Jung Lee, “Australia and Korea: time to press middle power diplomacy”.


scope into five areas, which includes transportation and logistics, energy and resources, agriculture(forestry)and fishery, commerce and industries, development finance, to figure out detailed plan and identify core projects.20

The final report made by researchers and named “the Road Map for Entering Eurasia: Toward Realizing the Eurasia Initiative” was approved at the Ministerial Meeting on International Economic Policy on 10 December 2014, which regards the Russia Far East, Central Asia, and Mongolia as key hubs of the new networks to connect Eurasia. 21

To assess how much progress has been made on the road map, it is necessary to examine whether South Korea has expanded connections with those hub countries. In addition, Park Geun-hye proposed to build the Silk Road Express in Eurasia Initiative, which will run from Busan all the way to Europe via North Korea, Russia, China and Central Asia. 22

Thus, the new connection between two Koreas, South Korea and China also should not be ignored to check on the way of reviewing the road map.

Another very important step for South Korea to make progress on build the Silk Road Express is the Korea Railroad Corporation (KORAIL) joined the Organization for Cooperation of Railway (OSJD) as an affiliate member in Warsaw, Poland in 2014. 23 This is the first step to connect Busan, P'yongyang, Beijing, Moscow, Berlin, and London in a cross continental railway, because the OSJD is an international organization related with the Eurasian continental railroad, which consists of 27 countries including central and eastern European countries and Russia, China, and North Korea.24

News report also emphasizes that by building a cooperation network through communicating with other member countries, it also gives positive light to the prospect of the South Korean government obtaining a regular membership, which has been delayed by North Korea’s opposition. 25 Besides, The KORAIL won the right to host the meeting at the company presidents meeting in P’yongyang in April 2014. That is also a very remarkable step for South Korea to realize Eurasia Initiative, because KORAIL has been trying to join OSJD for some time in order to facilitate Eurasia Initiative by creating a railway stretching across Asia from South Korea to Europe.

On top of that, if KORAIL could follow the model of Samsung (Samsung model will explain latter) to switch from marine transportation to TSR when transporting goods, then it is definitely an alternative way other than by way of North Korea to make Eurasia Initiative come true before the resumption of the Trans-Korea Railway (TKR), even though it is the second best option. As a consequence, South Korea has not stopped trying to put Eurasia Initiative into practice by avoiding the obstruction from North Korea. 26

The other significant move for South Korea to make Eurasia Initiative come true is to cohost the first Eurasian Parliament Summit with Russia. As Seok-hwan Kim argued, the meeting was a historic one in many ways. 27

First of all, it is significant that Korea took an initiative to assemble parliamentary leaders of major Eurasian countries, because there has never been a multilateral group initiated by Korea, participated in by many Asian countries and open to Europe. 28 Secondly, it is the expansion of the scope of Eurasian cooperation, co-hosts Korea and Russia invited some of ASEAN members — Vietnam, Thailand, the Philippines, Cambodia and Indonesia, the meeting nevertheless set a new concept that these ASEAN countries are included in Eurasian cooperation.29

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20 Ibid.
23 Ibid.
24 Ibid.
27 Ibid.
28 Ibid.
At the second annual Meeting of Speakers of Eurasian Countries’ Parliaments adopted the Seoul declaration, vowing to enhance inter-parliamentary cooperation based on the shared view that Eurasian prosperity will lead to the prosperity of the whole world. The participants also agreed to work together to strengthen free trade among their countries and enhance cooperation in various areas, including logistics, energy, resources, infrastructure, regional connectivity and people-to-people exchanges. The Eurasian Parliament Summit definitely can be regard as a very significant mechanism not only to facilitate Eurasia Initiative, but also to secure the position of the middle power.

Furthermore, as Francesca Manenti pointed out, South Korea is the first Asian country with which Brussels signed a Free Trade Agreement (FTA), entered into force in 2015, and shared a Framework Agreement, for creating a mechanism of consultation and cooperation on issues of common interest. Francesca Manenti went on further by saying that a successful experience with Italy could prepare the ground for broadening this kind of partnership under framework of the Eurasia Initiative with other European countries that view South Korea as a valuable partner to improve their own economy.

Not only Italy has showed strong interest in playing the role of the diplomatic bridge between South Korea and EU, but also Spain has already shown its interest in enhancing the relation with Seoul, both for R&D project and especially for the development of the Algeciras port which could be a logistic gateway connecting Southern Europe to the Eurasia Initiative project. These facts all indicate that South Korea has made some progress in realizing Eurasia Initiative, even though the original initiator has no longer stayed in power.

**Responses from Neighboring Countries**

Regarding new connection between South Korea and Russia, one thing should be noted is that Russia launched the Eurasian Economic Union (EAEU) in January 2015 which aims at pursuing its so-called “Eastern Policy” and seeks to develop the Russian Far East and Eastern Siberia, and thereby enhances its presence in Asia-Pacific. In other words, it is based on the common interest for South Korea and Russia to work together in the region. That probably is the reason why Samsung Electronics would sign an MOU with Russian Railways for collaboration on the Trans-Siberian Railway (TSR) Project in Moscow on 18 October 2016, with which both agreed to switch from marine transportation to TSR when transporting materials and end products from Korea or China to Eastern Europe. According to Samsung news announcement, using TSR would allow the company to utilize the routes to production and sales sites in Russia and Europe, enabling a reduction in lead time and logistical costs and this route shortened the lead time from 50 days to 18 days and saved logistical costs.

As of the new connection between South Korea and China, it seems that South Korea and China might have conflict of interest in the region due to the largely overlapping of Eurasia Initiative and China’s “One Belt One Road” (OBOR) project, which was proposed in 2013 by Chinese President Xi Jinping. Nevertheless, South Korea and China concluded bilateral FTA on 1 June 2015, which is seen as paving the way for the two countries to work together in the Eurasian region.

Having agreed to the above idea, Jaemin Lee stated that Sino-South Korea bilateral FTA can offer a contribution to Eurasia Initiative and OBOR project for three reasons. First, this is an FTA between two of the closest countries in terms of geographical proximity, economic cooperation and cultural similarities. Second, Korea’s Eurasia Initiative and China’s OBOR aim to cover similar regions in Central Asia, and all the way to Europe.

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31 Ibid.
32 Francesca Manenti, The Eurasia Initiative: A Corridor Network for Enhancing Relations between the Republic of Korea and Italy, Italy: Centro Studi Internazionali, 2016, p.44.
33 Ibid.
34 JY. Lee, “Korea’s Eurasia Initiative and the Development of Russia’s Far East and Siberia”.
36 Ibid.
Third, the two projects put their focus on the establishment and operation of infrastructure in the countries of the covered region with the stable supply of energy resources in mind. Although there are some concerns remaining about the cooperation between two projects, such as competition among the industries of the two countries, the unpredictability of North Korea, legal and logistic hurdle, some joint effort has been made to work thing out on the two projects. For instance, a round table meeting focusing on China’s OBOR and South Korea’s Eurasia Initiative was held in Beijing on Nov. 27 2015, KeYinbin, secretary-general and senior fellow of the Charhar Institute (China), said at the meeting that the connection point of China's OBOR and South Korea's Eurasia Initiative is the concept of "common modernization"; the two countries should work together to set up a research group in the future to discuss the issue.

Besides, the Ministry of Strategy and Finance (MOSF) of South Korea hosted the 14th Korea-China Ministerial Meeting on Economic Cooperation on May 27 2016, Korea's Deputy Prime Minister, Yoo Il-ho and China’s National Development and Reform Commission (NDRC) director, Xu Shaohi attended the meeting along with officials from both countries. The MOSF and the NDRC discussed developing joint projects to accelerate cooperation on Eurasia Initiative and OBOR as well as discussed cooperation with regard to macro-economic policy, promoting startup investment, ICT and ecommerce, and four MOUs were signed in regard to the issues. All those results indicate that it has no problem for South Korea and China to work together to reach the goals of the two projects. In addition to the positive responses from Russia and China on Eurasia Initiative, some Eurasian countries also enthusiastically open arms to that. President of Kazakhstan Nursultan Nazarbayev said at a joint news conference with visiting South Korean former leader Park Geun-hye in the Kazakh capital Astana that we express full support for Eurasia initiative of the Republic of Korea as it echoes the idea of the Eurasian Economic Union (EEU), offers denuclearization of North Korea and can change the future of the Korean Peninsula.

Besides, a discussion group was organized by the Korea Institute of International Economic Policy together with the Institute of Economic Studies of the Ministry of National Economy of the Republic of Kazakhstan that held the meeting “Eurasian Initiative and the future of the Kazakhstan-Korea partnership” in Astana. The meeting was attended by scholars from research institutes as well as from the think tanks of Kazakhstan and Korean universities, and the issues of economic and political relations between the two countries, specifically, in transport and oil and gas sectors, as well as of industrialization problems were discussed. It means that Kazakhstan not only show oral support to Eurasia Initiative, but also work on some action plan with South Korea counterpart. On top of that, South Korea also has gained much support from other Eurasian countries, even from Mongolia. For example, Uzbekistan President Islam Karimov not only expressed support for South Korea’s "Eurasia initiative" aimed at boosting economic and trade ties with energy-rich Central Asian nations, but also signed joint declaration with South Korean counterpart on the further development and deepening of the strategic partnership, which contains provisions envisaging assisted implementation of joint investment projects with participation of leading Korean companies, including the construction of Ustyurt Gas Chemical Complex at Surgil field.

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39 Ibid.
42 Ibid.
45 Ibid.
Furthermore, in an interview in Seoul, Belarusian Deputy Minister of Foreign Affairs Valentin Rybakov called for the early implementation of South Korea's proposed Silk Road Express as a means to connect the Korean Peninsula with Eurasia and beyond.\(^4\) Valentin Rybakov also emphasized that Eurasian Initiative, a plan to boost the regional economy through free trade and economic cooperation within the Eurasian bloc, is in line with Belarus President Alexander Lukashenko's initiative for international integration.\(^4\) From the viewpoints of Valentin Rybakov, it is understandable why Belarus would be so welcome the proposal of Eurasian Initiative.

Moreover, the Prime Minister of Mongolia Chimed Saikhanbileg and the Prime Minister of the Republic of Korea Hwang Kyo-ahn held official talks and issued joint statement on December 15-17, 2015. In the talks, both sides unanimously stressed the significance of building mutual trust, peace and cooperation in Northeast Asia and expressed their willingness to contribute to the prosperity and peace in the region through mutually complementary cooperation initiatives, such as the “Ulaanbaatar Dialogue on the Northeast Asian Security” launched by the President of Mongolia Tsakhiagiin Elbegdorj and “Northeast Asia Peace and Cooperation Initiative” and “Eurasia Initiative” launched by the President of Korea Park Geun-hye.\(^5\)

It is understandable that recent surge in integration efforts in Eurasia leading economic growth, the Mongolian government is calling for greater efforts to improve the country’s transportation and logistics infrastructure in line with this trend.\(^6\) This could explain why the Mongolian government has expressed interest in shipping bulk cargo from South Korea to Europe via the Mongolian railroad, because transit cargo on the Korea-Europe route through Mongolia will lead to the rapid growth of Ulaanbaatar, and to the development of infrastructure and reserved resources as a consequence.\(^5\) Based on the common interest between South Korea and Mongolia, it is hard to imagine that the Mongolian government would refuse to cooperate with South Korea on Eurasia Initiative.

Conclusions

The ambitious Eurasia Initiative was proposed by the former South Korean President Park Geun-hye that aims to build new connections with Eurasian countries in order to boost South Korean economy as well as create a peaceful environment for Korean Peninsula through bringing North Korea into the project. Although South Korea fails to attract North Korea to become a part of the project, it does not mean that South Korea has not made any progress in realizing Eurasia Initiative.

As mentioned above, South Korea not only has worked together with the most influential countries, such as Russia and China, in putting Eurasia Initiative into practice, but also has gained the supports from other Eurasian countries, such as Kazakhstan, Uzbekistan, Belarus, and Mongolia on the same matter. Therefore, it is fair to say that North Korea factor is not the sole criteria to judge whether Eurasia Initiative is a realization or an illusion.

It is understandable for someone to suggest that Eurasia Initiative was the former President’s proposal; it is unlikely for the incumbent and future Presidents to continually conduct the same or similar policy once they are in office. Nonetheless, due to South Korea’s geographic location and the middle power role, to develop deeper connection with Eurasian countries should be the most for the paramount leader to do, no matter who is in that position. As a result, it is still meaningful to assess how much the progress South Korean government has made in realizing Eurasia Initiative now and then.

From the previous discussion, it is reasonable to conclude that Eurasia Initiative is definitely not an illusion, since there have been so many positive responses from neighboring countries on that project. By the same token, it is too early to conclude that Eurasia Initiative is a realization, because one of the most important parts of the project-TKR is still disconnected. As a consequence, one can say the Eurasia Initiative is somewhere between a realization and an illusion, and much leaning toward a realization.


\(^5\) Ibid.


\(^8\) Ibid.
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