

The White House, Shealah Craighead

The Double Standard for South Korea in the US Indo-Pacific Strategy

Washington is actively helping other countries escape Chinese coercion. That's why U.S. treatment of South Korea is so puzzling.

By **Kyle Ferrier**

The U.S. Indo-Pacific Strategy is predicated on protecting countries vulnerable to Chinese coercion to ensure a “free and open” regional order. While Washington has only just recently started mobilizing resources to this end, there is already a glaring misstep in its plans – South Korea.

Despite the many unanswered questions about its future, the Indo-Pacific Strategy has significantly evolved since it was first announced by President Donald Trump at the 2017 APEC Summit in Vietnam. The strategy is centered on three pillars: security, governance, and economics. These have largely been rhetorical so far, but the developing framework to advance each is clearly focused on supporting South and Southeast Asian countries.

The security pillar mainly entails an increased U.S. naval presence to counter assertive moves from China. Washington and like-minded partners in the region are notably concerned with Beijing's island building in the South China Sea and how this could infringe upon vital open shipping lanes. China's growing access to ports on the Indian Ocean is also a major shared concern, making further naval cooperation with India and ASEAN countries a natural priority for the United States. Although the North Korea nuclear issue is also a major regional security challenge, it is seldom raised in the context of the Indo-Pacific Strategy.

Developing countries in South and Southeast Asia are additionally the intended beneficiaries of the governance and economic pillars. These are intended to bolster good governance and civil society as well as provide development assistance, particularly for infrastructure projects, to foster sustainable economic growth.

Prioritizing assistance to states with less resources to fend off coercion from Beijing and working with other members of "the Quad" – Japan, Australia, and India – to augment its new regional strategy is a logical structure for the United States to follow.

Though the equal application of resources shouldn't be expected, the equal application of the principles underlying the strategy across the region should. However, the Trump administration's approach toward South Korea is illustrative of a double standard that is undermining the coherence of the Indo-Pacific Strategy.

Seoul has been hesitant to join the Indo-Pacific framework, but this doesn't make it any less important of a regional player. South Korea's aversion to the strategy stems from the ambiguity of the strategy's end goal concerning Beijing; Seoul is reliant on China both to help resolve the North Korea issue and as an export

market. These considerations have led Seoul to steer clear of the rising tensions between China and the United States in the South China Sea over the past few years, despite being a treaty ally with Washington. Nevertheless, South Korea is still an active stakeholder in maintaining a rules-based regional order in its own right. South Korean President Moon Jae-in's "New Southern Policy" parallels many of the same goals the Trump administration is looking to pursue in South and Southeast Asia, representing yet another partner for the U.S. to work with to enhance its own vision.

While it can help amplify the ability of the United States to achieve its objectives in the region, South Korea has also been on the receiving end of coercion from Beijing. Seoul certainly has more tools at its disposal than its less developed neighbors to deal with these measures, but it isn't immune to them as has been demonstrated in recent years. Yet, rather than at least nominally supporting the Moon government amid mounting Chinese pressure, the White House has further tightened the screws on South Korea to advance its own narrow interests.

Chinese economic retaliation over the deployment of the Terminal High Altitude Area Defense (THAAD) missile defense battery in South Korea cost companies there billions of dollars. In opposition to the spring 2017 deployment, Beijing curbed the number of Chinese tourists to South Korea and lashed out against Lotte – the company that provided the land for THAAD – as well as Korean automakers and Korean cultural content in China. The brunt of the retaliation seems to be over now, but not without lasting economic consequences. Lotte has effectively been forced out of the Chinese market, losing around a billion dollars due to the boycott. Chinese tourists visiting South Korea and sales of Korean cars in China are also still well below their pre-retaliation levels.

Even though the THAAD deployment is a U.S.-South Korea alliance issue, Washington's support for Seoul against Beijing's economic retaliation was nearly nonexistent. The most notable censure of these Chinese actions was an April 2017 letter signed by 26 U.S. senators urging Trump to call on Chinese President Xi Jinping to cease the economic retaliation. Trump raised the issue during his

summit with Xi later that week, but there is no evidence that this caused any change nor was there ever any publicly reported follow-up despite Chinese retaliation obviously continuing.

Instead, the White House added more of its own pressure on South Korea, largely following Trump's personal views. The U.S.-Korea Free Trade Agreement (KORUS FTA), which went into effect in 2011, is one of only two existing FTAs the White House has revisited. After Trump's initial threats to withdraw, both sides agreed to amend the deal in the summer of 2017 based on U.S. demands that the bilateral goods trade deficit be reduced. Changes to the agreement signed by both Trump and Moon last September reflect the one-sided nature of the negotiations. The importance of the alliance undoubtedly played an important role in Seoul's ability to make concessions to Washington in the FTA, as it did earlier that year in negotiating an exception from U.S. steel tariffs.

Trump has also leveraged the 28,500 American troops stationed on the Korean Peninsula to get Seoul to pay more into the alliance through negotiations last year to renew the military cost-sharing agreement, which has now expired. The United States reportedly first asked South Korea to double its \$860 million contribution to \$1.6 billion and after a year of talks extended its final offer in January for Seoul to pay \$1 billion. This would then be revisited in a year rather than every five years as the current agreement calls for. The Moon government's prompt rejection of this offer and Trump's public desire to draw down the American military in South Korea are now raising major questions about the future of the alliance.

Why this double standard for South Korea under the Indo-Pacific umbrella exists has not been addressed by the White House, likely because the administration perceives Seoul in too limited of a context. Trump seems to only view South Korea bilaterally, through the lens of what he has deemed the failed trade and security policies of his predecessors, or in relation to resolving the North Korea issue, where he continues to downplay Seoul's significance in diplomacy with Kim Jong Un.

Ignoring South Korea's role as a regional player has already proven to be a mistake that has the makings of a future challenge for the United States. In a bid to end Chinese economic retaliation and facing uncertainty over the future of economic relations with the United States, the Moon government agreed to "three nos" with Beijing in November 2017: no additional THAAD deployments, no participation in a U.S strategic missile defense system, and no trilateral alliance with the U.S. and Japan. As the United States looks to further develop a security architecture in the region, these three promises could prove to be a thorn in its side.

Although Chinese retaliation over THAAD has largely subsided, similar episodes down the road are not out of the question. If the White House wants to avoid further constraints in implementing its Indo-Pacific Strategy, it must acknowledge Seoul's regional significance. The first step in doing this is applying the same principle of supporting states against coercion that it is applying elsewhere in the region to South Korea. Not only will this in itself support the administration's strategic goals, it will also amplify their reach through greater cooperation with South Korea's New Southern Policy.

The Author

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