

Korea-Gulf Relations and an Iranian Factor

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I. Introduction

South Korea and the Gulf have enjoyed a cooperative economic relationship during the last 40 years. Recently South Korea has been shifting its focus in the Gulf from economy-oriented cooperation to more strategic areas like the nuclear energy sector, political and strategic partnership, and military cooperation.¹ It can be said that a turning point was the year 2009 when South Korea and the UAE signed a number of cooperation agreements related to the construction of nuclear power plants. Especially important was the \$20-billion contract between the Emirates Nuclear Energy Corporation and a consortium of South Korean companies (led by the Korea Electric Power Corporation- KEPCO) to design, build, help operate and maintain four civil nuclear power plants as part of the UAE's peaceful nuclear energy program.

The nuclear deal was expanded to the dispatch of South Korean military personnel, the 'Akh Unit' to the UAE. This was a military training unit which started deploying in January 2011 on a two-year mission to train special Emirati warfare troops. This constituted a dramatic development in South Korea's cooperation with the Gulf countries. Never before had it dispatched troops abroad, except under the umbrella of a multinational force or in peace-keeping operations. This military cooperation, moreover, has facilitated other forms of strategic cooperation between South Korea and the Gulf. In recent years, South Korea and some of the Gulf countries have been in active discussion over ways to foster bilateral military exchanges and strategic cooperation in the defense industry.

However, the sanctions relief on Iran has changed the mood of the strengthening relationship between South Korea and the Gulf. President Park Geun-hye made a historical visit to Iran in the beginning of May 2016 amid growing calls to join the international rush to Iran. Park was the first South Korean leader to visit Iran. Furthermore, the Korean government highlighted the possible economic benefit from 66 memoranda of understands (MOUs) signed between South Korean and Iran during the presidential visit emphasizing that the MOUs can lead to contracts

worth \$37.1 billion if the two sides carry them all out. In this regard, this research would evaluate the new environment or mood of Korea-Gulf relations and its future consequences in the post-sanctions era. This paper begins with a brief historical background of strategic relations between the Gulf and South Korea, providing an overview of economic and military cooperation of the two regions. This research also attempts to demonstrate how the Korean attitudes towards the Arab Gulf countries have been affected by Iran's return to political and economic arenas after the nuclear deal with the West,

II. The Era of Military Cooperation

South Korea's military and defense-related commercial activities in the Middle East have been affected by three factors relating to South Korean politics in the 21st century. These factors are: involuntary military involvement and later, voluntary cooperation, anti-piracy military operations, and concern about the Iran-North Korea nuclear connection. These issues have changed Seoul's overall perception of the Gulf region and contributed to reformulation of its Middle East strategic and economic policies.

South Korea's decision to send forces to southern Lebanon as part of the UN peacekeeping forces after the 2006 Israel-Lebanon conflict stands as another example of Seoul's new policy towards the Middle East. The decision to send forces to Lebanon was based on the assumption that none of the sides to the conflict suspected Seoul of having a hidden political or ideological agenda. Seoul was therefore a perfect candidate for participating in a peace force in the Middle East. Through this military engagement, Korea intends to strengthen its military relationship with the Gulf and other Arab countries. The best example of this has been the dispatch of the Akh Unit to the UAE. The Akh Unit started its deployment in January 2011 on a two-year mission to train the UAE special warfare troops. This constituted a turning point in Korean military cooperation with the Gulf countries; South Korea has never dispatched troops abroad without the umbrella of a multinational force or of peacekeeping operations.

In order to understand the trickle-down effects of the nuclear deal on military cooperation between Korea and the Gulf countries, news coverage on this issue was quantitatively analyzed. First, the amount of newspaper articles on Gulf-Korean military cooperation was compared 5 years before and after the nuclear deal in December 2009 (as shown in Table 1).² According to the results shown in Table 2, the number of newspaper articles on the issue almost doubled from 62 articles in the period between December 2004 and November 2009 to 116 in the period between December 2009 and November 2015. It can be said that the increase of newspaper article numbers reflects the more assertive or positive activities in the field of military cooperation between the two regions.

Table 1 Number of Newspaper Articles on Gulf-Korean Military Cooperation

Period	5 Years before Dec. 2009	5 Years after Dec. 2009
Number of Articles	62	116

Second, 178 articles were categorized into 3 areas of cooperation: visits by military officials, defense industry cooperation, and military and security operation. Before the nuclear deal, the cooperation was focused on official visits by military officials, such as Defense Ministers, Chiefs of Staff, and other educational exchanges of military personnel, occupying 51% of all activities. Defense industry related activities and cooperation followed the official visits. The newspaper articles on military and security operation made up only 13% of the total articles. This was an indication that direct military operations between Korea and the Gulf region were not frequent except for the anti-piracy naval operations in the Gulf of Aden.

Table 2 Areas of Gulf-Korea Military Cooperation in the Newspaper Articles

Areas of Cooperation	5 Years before Dec. 2009	%	5 Years after Dec. 2009	%
Official Visits of military officials	32	51	41	35
Defense industry cooperation	22	36	51	44
Military and security operation	8	13	24	21
Total	62	100	116	100

In comparison with the period before the nuclear deal, the 5 years following the deal witnessed a dramatic increase in defense industry cooperation and the number of articles related to this area reached 51 out of 116 (44%). Transactions and contracts regarding the exports of weapons and other military equipment and supplies attracted attention from the media and the public. Furthermore, according to the news coverage, both official visits and military operations between Korea and the Gulf region also increased after the nuclear deal with the UAE.

III. An Iranian Factor

2010 witnessed some change in Korea-Iran relations. In September, South Korea reluctantly joined the US-led drive for sanctions against Iran after an internal struggle that pitted

financial interests against diplomatic interests – and strained the US-Korean alliance. Under US pressure, the South Korean foreign ministry added the names of 102 Iranian firms and 24 people to the blacklist of those with whom South Koreans cannot do business and also promised to inspect cargo from Iran more diligently and hold back on investment in oil and gas enterprises. Furthermore, when the EU and the United States in January 2012 agreed to a much harsher measure - an oil embargo on Iran effective from July and a freeze on the assets of Iran's central bank, South Korea was obliged to participate in the embargo as global shipping insurers based in Europe were unable to provide their services for shipment of Iranian oil.

After lifting international sanctions of Iran, President Park Geun-hye and total of 236 businessmen and women visited Iran on 2 and 3 May 2016. On 3 May during the visit, President Park said that South Korea and Iran can produce a win-win situation if they work together in infrastructure projects in the Islamic Republic. "I am here to pursue the path of common prosperity with old friend Iran," Park said in a forum attended by some 450 South Korean and Iranian business executives and leaders in the Iranian capital. On 2 May, Park and President Hassan Rouhani observed the signing of nearly 20 out of 66 memorandums of understanding worth up to US\$45.6 billion after their summit. Seoul hopes the MOUs could pave the way for South Korean companies to eventually win massive infrastructure projects under way in Iran. President Park said she expects the MOUs signed between the two governments on transportation and infrastructure as well as water resources to further boost bilateral cooperation down the line. The trade volume between Korea and Iran stood at US\$6.1 billion in 2015, compared with \$17.4 billion in 2011. Rouhani said the two countries could boost bilateral trade to more than \$30 billion in five years. "I believe that my visit could serve as an important occasion to secure momentum for the development of bilateral relations and to strengthen substantial cooperation," Park said in a separate meeting with nearly 20 representatives from the Korean community in Iran.

The sanctions relief in January 2016 and the historic visit of South Korean President to Iran in May have changed the mood of the strengthening relationship between South Korea and the Gulf. Thus, it may be said that South Korea is on a tightrope between Iran and the Gulf after the government overly lauded economic cooperation with Tehran during President Park's historic visit amid escalating rivalry between the two Middle East nations. Analysts warned that exaggerating the Seoul-Tehran economic relations can mar South Korea's friendship with Saudi Arabia, although they positively assessed Seoul's emphasis on support from Iran for denuclearization of the Korean Peninsula. To pursue balanced diplomacy in the Middle East, experts urged the Park administration to take into account rapid change in the regional economy as well as religious conflicts involving Shiite-dominant Iran and Sunni-led Saudi

Arabia and other Arab states.

Involving infrastructure projects, the MOUs can lead to contracts worth 42 trillion won (\$37.1 billion) if the two sides carry them all out: but only six of them were legally binding. With low oil prices affecting the economy of Saudi Arabia and other Sunni Muslim countries, it should be careful about exaggerating economic ties with Iran. Iran can sign MOUs with multiple countries for certain industrial projects and I'd say South Korea boasted as if it will exclusively carry out those projects with Iran. The Korean government should carefully revise Middle East diplomacy and ensure to avoid any situations that can push the country into an Iran-Saudi Arabia conflict. Some analysts argue that Saudi Arabia may press South Korea if it reckons Seoul's diplomatic policies in the region are biased toward Tehran although it is not likely that Riyadh will actually take retaliatory measures.

V. Conclusion

As examined above, the relationship between Korea and the Gulf region has continued to be strengthened and broadened for the past several decades. This relationship has also evolved in the new millennium, in light of the expectations that are likely to balance their existing relationships with the Western powers and East Asia (Moran and Russell 2008). It will be enhanced by improving non-economic ties, including in the military field (Davidson 2010). South Korea has gradually shifted its interests in the Gulf from the pure economic cooperation to more strategic areas, such as the nuclear energy sector and military cooperation, ultimately leading to comprehensive strategic partnership-building.

President Park Geun-hye's recent and successful visit to Iran shows South Korea's cultivation and use of soft power for national interests as a middle power. The visit draws an important lesson for power and any nation, if the goal is comity and security. South Korea continues to develop a syncretistic basis for her advancement as a nation and society. We should praise her leadership in working with middle powers. The visit to Iran was part of South Korean foreign policy for regional and international stability. Park's foreign policy in cultivating Iran provides increased access to trade. It shores up the status quo's efforts to include Iran for stability. It contains the North's influence with Iran, and shows leadership for Asian powers in the pursuit of peace. But some critics warn that various geopolitical risks, such as Iran's rivalry with Saudi Arabia over the hegemony of the Islamic world, and the power struggle between liberal reformists and hard-line conservatives within Iran, will always remain to keep Korean businesses there nervous.

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Notes

- 1 For one perspective on the development of South Korea's involvement in the Gulf, see Joachim Kolb, "Small is Beautiful: South Korean-Gulf Relations as an Example of Strategic Engagement by Players in Different Areas", in in *Asia-Gulf Economic Relations in the 21st Century: the Local to Global Transformation*, ed. Tim Niblock, with Monica Malik (Berlin, Gerlach Press, 2013), 289-319.
- 2 The newspaper articles were collected from the five major newspapers: *Chosun Daily*, *Joongang Daily*, *Donga Daily*, *Munhwa Daily*, and *Hangyeore Daily*.