

## South Korea in Myanmar: Missing the Train to Naypyitaw?

South Korea is not living up to its potential to play a strategic (not just economic) role in Myanmar.

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March 15, 2017

South Korea's interest in Myanmar lies in its economic assets: cheaper labor costs, a sizable market of around 51 million people, and natural resource wealth. Yet Myanmar has unrealized potential to play a much greater strategic role for South Korea.

South Korea's economic presence in the country is wide-ranging and Seoul has emerged as an important economic partner for Naypyitaw. South Korean aid exceeded \$20 million in 2014 and totaled \$50 million in the 2013-2015 period, with the Southeast Asian country now included in the [top 10 of KOICA's \(South Korea International Cooperation Agency\) priority list](#) of aid recipients. Since 2010, trade between the two countries has experienced a three-fold increase, exceeding \$850 million in 2015 and earning South Korea the position of sixth largest exporter to Myanmar. South Korea is also among the top ten investors in Myanmar, which represents its fourth largest investment market in ASEAN.

Despite these strides, South Korea will find it difficult to out-compete its larger neighbors in Myanmar. Compared to that of other East Asian countries, South Korea's development assistance to Myanmar is still relatively small. The aid sector is a crowded field with various Western and Asian actors all seeking to establish a presence in the country, only to realize that Myanmar does not have the capacity to manage projects or even spend funds. In 2014, Myanmar's main [import partners](#) were China (42 percent), Thailand (20 percent), and Singapore (10 percent). At 3.8 percent, South Korea is clearly far behind. Myanmar's [main export](#) destinations are China (32 percent), Thailand (31 percent), and India (9.2 percent), with South Korea again a distant ninth at 4.9 percent. At around \$170 million, South Korean FDI lags behind Singapore (\$4.3 billion) and China (\$3.3 billion).

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South Korea cannot expect to have greater influence in Myanmar unless Seoul leverages its growing economic presence to pursue a larger strategic aim. The economic relationship has largely overshadowed the political one to the point that, while South Korea's contribution is beyond dispute, the larger and more long-term aims it pursues in the country remain underdeveloped, with a clear risk that its spending may not constitute the best use of its resources. Assessing its role in Myanmar could not be timelier for South Korea given recent geopolitical developments.

It is safe to assume that the Trump administration will be less interested in Myanmar's political transition, the various human rights issues plaguing that country and its internal instability and underdevelopment. South Korea itself is unlikely to be a top priority for the Trump administration (if anything, North Korea might be, alongside China). Precisely because of these issues South Korea needs to remind the United States of its strategic relevance, and can use its growing presence in Myanmar to that end. Myanmar will be seen in Washington through the prism of U.S.-China relations. Thus, assuming a U.S. interest in Southeast Asia, but also a reluctance to stay directly engaged, South Korea could play a larger role — and one aligned to U.S. strategic interests — as its presence would be less likely to rouse suspicions in Beijing.

South Korea has all the resources needed to anchor more firmly Myanmar's transition — its own experience, a lack of political and historical baggage, and a willingness to trade and invest — that would make it a preferable partner to



Image Credit: [U.S. State Department photo](#)

Myanmar than many Western states. Myanmar's government might not be in a position nor have the will to pursue closer military ties with Washington. Given the state of Myanmar's armed forces and supplies and the need of training, the Tatmadaw would benefit from enhanced security cooperation with South Korea without directly involving Washington. Beyond this, there are other areas in which South Korea can make a difference in the country, notably through more extensive and focused capacity-building programs, beyond the central belt and out to the periphery, exchanges of government personnel, and a more focused aid program, and one with greater control and accountability (if not conditionality). South Korea's narrative as a country that went from rags to riches and from authoritarianism to democracy is worth sharing (not imposingly, of course) among countries that are also undergoing a multidimensional transition, and yet Seoul has been remarkably restrained in this regard. Realpolitik has prevailed, making South Korea's approach virtually indistinguishable from China's.

Two factors seem to be holding South Korea back from achieving these ends. The first is the strongly partisan nature of South Korean foreign policy-making prevents the formation of a consensus as to where the country's long-term interests are. This has led to a plethora of presidential strategies or initiatives in the past, often overlapping in geographical or substantive focus, but so explicitly aimed at replacing a predecessor that this ultimately hindered continuity in foreign policy-making.

The second factor is limited partner expertise in South Korea and a lack of government-academia-business conversation. Within government agencies, and even in some academic institutions there is a limited capacity to deal with Southeast Asia, let alone specific countries. Moreover, the preferential channel for recruitment into South Korea's diplomatic core is via SKY (Seoul National, Yonsei, and South Korea) universities, not universities with expertise on Southeast Asia such as Ewha, Hankuk University of Foreign Studies, and Busan University of Foreign Studies.

Seoul's relationship with Naypyitaw is illustrative of broader trends in South Korean foreign policy such as its greater activism, ambition, and diversification. At the same time, it also highlights the challenges of turning economic cooperation into a strong political relationship and therefore growing out of the role as provider to one as player, contributing to structuring economic and political relations, perhaps even beyond the limited confines of a bilateral relationship. There is considerable unfulfilled potential in an increasingly crowded field where the number of actors seeking to profit from Myanmar's opening is expanding steadily. With the the political crisis — and the vacuum of political leadership that accompanied it — now finally over, the new South Korean administration will soon be confronted with a number of foreign policy priorities, including the articulation of a strategic vision for South Korea's role in its various neighborhoods, which were virtually ignored by the last administration and are now extremely pressing. As a late-comer to Southeast Asia, South Korea cannot afford to risk missing the train to Naypyitaw.

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