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2022001-PE

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February 2022

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International connectivity initiatives and implications for EU-Korea relations

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Abstract

The paper discusses how the Republic of Korea (or South Korea) and the European Union (EU) position themselves in the emerging and contested field of international connectivity or infrastructure initiatives. It proceeds to discussing the scope for bilateral cooperation and proposes an EU-ROK connectivity agreement or partnership as a meaningful extension of bilateral economic diplomacy. It compares earlier agreements of the EU with Japan, India and ASEAN to develop ideas for the range of issues that an EU-ROK partnership could cover. On this basis, it makes specific suggestions for the content of such a bilateral agreement.

Keywords

EU, Republic of Korea, connectivity, infrastructure, partnership, economic diplomacy

Introduction

In international economic relations, debates as well as policy strategies have traditionally converged on a number of international economic activities. These include trade, foreign direct investment, technology transfer and, in the financial sphere, exchange rate regimes and capital flows. In recent years, a new topic has gained a lot of attention, which is to some extent cross-cutting and seems to develop into an arena of external economic policy and business relations in its own right, namely connectivity (Khanna 2016). It thus also represents a new field of economic diplomacy. How are the Republic of Korea (ROK or South Korea) and the European Union (EU) positioning themselves in this emerging and contested field? Is there scope for cooperation, providing additional meaning to their strategic partnership?

Trying to answer this question, the paper is organised as follows: It starts with a survey of the emergence of the connectivity topic in recent years, paying due attention to the rise of an interest in and demand for infrastructure investment in the Asia-Pacific and Eurasian regions. Against this background, the strategic approaches of both the ROK and the EU towards connectivity issues are outlined. We find that both can be characterised as hedging, trying to pursue strategic autonomy, which offers the option of aligning and cooperating more closely among each other. In order to investigate what an EU-ROK connectivity agreement could encompass, we use a synoptic comparison of the three existing EU agreements that have been concluded so far as a framework of reference. In the conclusion, we summarize the suggestions of how the ROK and the EU could cooperate in the field of connectivity in a meaningful way and consistent with their general foreign policy and economic diplomacy concerns.

The Rise of Connectivity

Connectivity and infrastructure involve sets of goods and services that create different types of networks, ranging from the physical domain like transport – roads, railways, sea, air – or energy to digital and other information flows, financial and even people-to-people networks (GICA 2018). While speaking of infrastructure puts the emphasis on the input side, connectivity rather focusses on the output. For the purpose of this paper, both can be treated almost synonymously: Investing in infrastructure eventually creates connectivity in terms of networks and linkages.

Here, we focus on the international dimension. A major infrastructure project abroad like the construction of a high-speed railway line could basically be seen as a complex amalgamation of several rather conventional international economic activities, which creates a new quality: It will usually involve export business, possibly supplemented by FDI, like setting up a joint venture with a local partner, and some technology transfer is also likely; the costly project will probably also involve a role for capital transfer. Hence, there are reasons to treat infrastructure as an important separate arena (for a more detailed discussion, see Pascha 2020). To smoothen the complex interplay of public and private business issues, public actors will often consider installing organisational schemes to ease and reduce the transaction costs of the projects. Such schemes are referred to as (international) infrastructure initiatives, often involving supportive mechanisms like standard-setting, new financing organisations or else. Infrastructure connectivity has become ever more important in recent decades. One factor behind this is economic globalisation, which could only prosper through ever widening and deepening networks of exchange. While the ratio of global exports to GDP was still below 20 percent in the 1980s, it had risen to about 30 percent around 2010. Infrastructure became particularly important for the Asian region, whose economic dynamics depended - even more than elsewhere - on its open economies (Yu 2017). An important study in this respect is a 2009 joint publication of the Asian Development Bank (ADB) and its ADB Institute, which concluded that the infrastructure needs of the region until 2020 summed up to a total of about eight trillion US Dollars (USD) (ADB/ADBI 2009). Based on a 2017 update for the year 2030, an even more stunning amount of 22.5 trillion USD is foreseen (ADB 2017).

While there is a significant need for infrastructure investment, a major and persistent global savings glut has also been noticed (Bernanke 2005), based on the mounting current-account surpluses of some countries. However one evaluates the macroeconomic implications of the savings glut hypothesis, accumulated current account surpluses have indeed increased to some three percent of global GDP in the mid-2000s and stayed at the two percent level later on. Some surplus funds were deposited in foreign exchange reserves, but increasingly also in other asset classes (Keohane 2017) and not necessarily in a way that would be optimal for the global economy.

Whereas at first glance this may seem as an almost perfect match of needs and available funds, the Global Financial Crisis of 2008/09 led to a serious shift towards risk aversion among global financial investors. Infrastructure investment with its long durations, complexities and thus high-risk profiles was hit hard (Bhattacharya and Romani 2013). Eventually, this led to a strong demand for innovative ways of shifting surplus savings, in combination with appropriate technological and organisational capacities, into meaningful infrastructure projects in emerging Asia and elsewhere (Arezki et al. 2016).

Setting up such platforms, initiatives or establishing a new financial asset class involves aspects of creating a public good, with the usual difficulties of finding an actor to take over such a task (Pascha 2019 and Öztürk 2019). Namely, it is difficult to exclude potential users, and additional users do not diminish the utility of the scheme for other users; large externalities also imply that the incentives for creating (and paying) for the public good are low. If not for someone to take the lead and who can profit from additional merits in setting up the public good, the advantages of creating it will largely remain unrealised. This creates a window of opportunity for national players that aspire to an increased international role, because providing an international public good offers additional benefits for such actors. It increases their political clout and gives them a chance to influence the multilateral agenda.

This argument can be exemplified with respect to the Archimedean point of recent international infrastructure initiatives, namely China's Belt and Road Initiative (BRI) that was announced in 2013. For China, setting up such a scheme had substantial advantages in various dimensions: Politically, it could support its claim of an international, at least regional, leadership role; moreover, together with other institutional activities like the creation of the Asian Infrastructure and Investment Bank (AIIB), BRI provided a strategic response to the unwillingness of the incumbent international leader, the US, to reform multilateral mechanisms like IMF and World Bank. In financial terms, the initiative provided a vent for surplus financial reserves. Finally, and not the least, in domestic economic terms BRI promised to open up significant new international markets for Chinese infrastructure and other goods, particularly welcome because of the accrued overcapacities of Chinese industry and in consideration of the backward western Chinese regions, which could profit from opening up the Eurasian landmass to them.

Against this background, we can now turn to the ROK and the EU and see how both have positioned themselves in the emerging international infrastructure arena over the years.

Korea's New Northern and New Southern Policies

In 2017, South Korea's Moon Jae-in government installed two major policies with strong elements of an infrastructure initiative, the New Northern Policy (NNP) and the New Southern Policy (NSP). The NNP is interested in Russia as a main cooperation partner, and also mentions Central Asia as a prime target area. The so-called "Nine Bridge" strategy signals a strong economic focus and highlights connectivity interests: Its more recent "2.0" version highlights energy, railways and infrastructure, shipbuilding, ports and navigation, healthcare, agriculture and fisheries, investment, an innovation platform, and culture and tourism (Presidential Committee on Northern Economic Cooperation, undated). The intention to strengthen economic and broader relations beyond the northern edge of the Korean peninsula is natural - and not entirely new. One can think of President Roh Tae Woo's Nordpolitik in 1988 or the so-called Eurasia Initiative of Moon's immediate predecessor, Park Geun-hye. Such endeavours have always been very ambitious, possibly somewhat overambitious, because South Korea's access to the northern region is handicapped by the presence of North Korea. It is thus very difficult to make decisive progress. In early 2020, for example, President Moon urged his NNP committee to produce (more) "tangible results" (Yonhap 2020).

Turning to the New Southern Policy, the NSP focusses on ASEAN and India in particular and has received considerably more public attention than the NNP. Both ASEAN and India promise strong economic prospects. Both are among the most contested venues of the Indo-Pacific region, and they are extremely important for the US and for China as well. The ROK has signaled that it wants to give ASEAN and India the same weight in its foreign relations as the four countries that are traditionally understood as the most important foreign powers for Korea, namely the US, China, Russia and Japan. This is a clear and decisive break with past priorities.

The NSP covers somewhat similar policy areas as the NNP, but sets its own priorities. Overriding principles are the focus on people, prosperity (incl. infrastructure development and innovative growth) and peace. In the November 2020 "NSP Plus" version, it stresses seven strategic initiatives: public health care, education/human resources, culture exchange (including the contemporary youth culture), trade & investment, rural & urban infrastructure, future industries and non-conventional security on the transnational level (Presidential Committee on New Southern Policy, undated).

One more reason why the NSP has received such attention is that it is compatible with the path of South Korea's international economic relations since before 2010, when the economy started to counterbalance its strong reliance on China with deeper ASEAN relations (Snyder 2021). ASEAN has become the no. 2 trading partner for Korea. Still, there is room for improvement, as the relations are primarily based on bilateral exchange with Vietnam, for which South Korea, for example, has become the most important foreign investor.

Summing up, both NNP and NSP have become important policy initiatives of the South Korean government in recent years. Both are very ambitious, particularly the NNP, related to the unfavourable geo-economic location of South Korea. Even for the NSP, which has a more favourable background, it is difficult for the ROK to be recognized strategically as important by ASEAN or others as the US or China. Both NNP and NSP follow the logic of hedging against

overly relying on the US on the one hand, and on China on the other. The government thus tries to create some strategic autonomy for the country in a difficult geopolitical situation (more on this interpretation: Pascha forthcoming).

This set-up is unlikely to change dramatically after the South Korean presidential elections in 2022, as it follows from the basic geopolitical and geo-economic setting of the country, sandwiched between the US and China, that it cannot escape from. The strong interest in connectivity will thus probably remain, possibly under a different name, as new presidents typically are fond of creating their own policy catchwords. Is hedging still an adequate strategy? Given the rising tensions between the US and China, it is becoming ever more difficult to follow a credible autonomous path. If it continues to follow such an approach nevertheless, South Korea could be sidelined on the international level, as it would not be an integral part of important initiatives by either of the big powers. A way out could be seeking like-minded middle powers in order to develop more leverage vis-à-vis the US and China as a part of an aligned grouping; this could be understood as an “alignment strategy” (Pascha forthcoming) and appears to be a meaningful new stage for the current policy line.

The EU Infrastructure Initiative and its Strategy Towards the Indo-Pacific

How does the EU relate to South Korea’s policies as outlined above? For answering this question, it is important to take note of its position towards the surge of infrastructure initiatives in recent years and to discuss the EU’s strategic positioning in the Indo-Pacific region.

The EU is, in relative terms, a latecomer in the field of infrastructure initiatives. Only in 2018 it introduced its “Connecting Europe and Asia: Building Blocks for an EU Strategy” (EC-HR 2018), which lists various fields of actors, often on the basis of summarizing earlier and separate programmes. Air, sea and land transport, digital connectivity, energy connectivity, and people-to-people connectivity are emphasized. It also stresses the value basis of the initiative, the so-called “European way”, which aims to support sustainable, comprehensive and rules-based connectivity.

Connectivity has not made it into the Multiannual Financial Framework 2021-2027 as a major initiative, which has led to some disappointments. Still, in September 2021 the EU Commission has committed itself to intensify its ambitions: Commission President Ursula von der Leyen announced a “Global Gateway” initiative that will seek quality infrastructure partnerships around the world (von der Leyen 2021a). One day later, an “EU strategy for cooperation in the Indo-Pacific” was published (EC-HR 2021). “Connectivity” is one of seven priority areas, and the “digital governance and partnerships” item is also closely related. The ROK is mentioned several times in the text as one of the “like-minded” countries with which the EU will seek closer bonds.

The EU initiative follows the logic of “strategic autonomy”, which has started to shape the EU’s approach to foreign and security policies since the late 2010s (Grajewski 2021). In the field of connectivity and the EU’s approach towards the Indo-Pacific, the idea is to find a way and to

secure the global position of the EU between the lure of China's Belt and Road Initiative on the one hand and US-focused initiatives on the other.

Both Japan and, somewhat later, the USA elaborated their ideas on a Free and Open Indo-Pacific (FOIP) around 2015 to 2017. Together with Australia, they started the Blue Dot Network (BDN) in 2019, which is meant as a cooperative effort between the public, private enterprises and civil society to certify infrastructure projects. Along these lines, the US government announced a Build Back Better World (B3W) Partnership in June 2021 and introduced it to the G7 meeting held in Cornwall, which endorsed it with the aim of overcoming the COVID 19 effects and to support climate change (G7 2021, particularly item 67; on the implicit connection between B3W and BDN: Arha 2021). As an additional group, the so-called "Quad", encompassing the US, Japan, Australia and India, developed with a more security-related interest, while Quad Plus also covers non-traditional security risks, including health as well as contagious diseases and connectivity issues. The EU and its members have endorsed B3W with its pro-western bias, but at the same time, as discussed above, they pursue some degree of strategic autonomy or, in terms of the International Relations literature, a strategy of hedging, namely "attempts to maintain strategic ambiguity to reduce or avoid the risks and uncertainties of negative consequences produced by balancing or bandwagoning alone" (Koga 2018, p. 638). In this context, there is the additional option of creating more leverage by aligning with similarly minded countries, including South Korea, whose strategic approach has, as explained above, also been identified as hedging. The EU finds itself in a rather similar situation as South Korea. The compatibility of both strategic positions creates a remarkable scope for bilateral economic diplomacy activities in terms of an EU-ROK connectivity agreement or even partnership.

Towards an EU-ROK Connectivity Agreement

What might an EU-ROK connectivity agreement or partnership encompass? Before trying to answer this question, it is important to address some a priori issues. While there is certainly scope for an active bilateral economic diplomacy on connectivity as argued above, it is reasonable to ask whether the incentives for the EU *and* for the ROK are strong enough to make such activity attractive for both, given competing options to focus diplomatic efforts on. One has to face the reality that although the EU and ROK are close political and economic partners, for both there even are more important partners in their respective regions and beyond that receive more attention and are more prioritised in policy making. Of course, there is the symbolic value of another partnership agreement between two leading representatives of a free and rules-based international economy, but this will usually not be enough to outweigh the laborious efforts involved and the potential risks of potentially disappointing results. From an EU perspective, it has already concluded several connectivity agreements in the Indo-Pacific region and is now extending its connectivity approach to the global level. To argue for yet another agreement in the Indo-Pacific region only makes sense if the expected deliverables are both feasible and add considerable value to the connectivity partnerships that it already has or is considering. Similar considerations can be made from a ROK perspective: The EU at the western end of the Eurasian landmass at first sight is not an obvious choice in

terms of connectivity for the country in the south of the Korean peninsula. It only makes sense if the concrete ideas for cooperation promise to be both highly feasible and to add extra value beyond what more proximate partnerships can offer.

Which components of a potential agreement could meet the criteria of feasibility and value added? Some insight can already be gained by synoptically comparing the three existing agreements the EU has already concluded, the 2019 Partnership with Japan, the 2020 Statement with ASEAN, which is meant to explore the potential of a partnership, and the 2021 Partnership with India (see Table 1). All three agreements cover a similar range of issues: Laying out (common) values and principles, defining the types of connectivity covered, while exploring some sectors of connectivity in more depth, making a reference to multilateral cooperation and referring to existing multilateral as well as bilateral networks. They deal with involving the private sector and with the regional scope beyond the areas of the two partners, particularly in terms of which third countries or world regions to focus on. Organisational mechanisms that shall drive the cooperation forward are also covered.

Within this scope, the differences among the agreements are also noteworthy, thus giving an idea of the potential scope in shaping the agreements in a desired way. For example, the agreement with Japan is much more explicit on “quality” issues of infrastructure, a concept emphasized by Japan since the mid-2010s, than the others. The partnership agreement with Japan also stresses the role of cooperation on the multilateral level. Both the India and the Japan agreement are much more explicit on common values like freedom and rule of law than the EU-ASEAN statement. The former two partnerships thus implicitly contain an indirect statement against a more assertive China. The EU-ASEAN Joint Ministerial Statement presents at least a temporary option below the level of a more formal partnership, in which, for instance, abstract references to values and principles and the notion of cooperating multilaterally are largely absent.

Against this background, where might the interests and visions of the ROK and the EU converge in terms of concluding an agreement or a partnership?

With respect to values and principles, the EU and the ROK have a lot of common ground. Already in the preamble of the 2010 Framework Agreement, they have documented their “shared values and aspirations” like “democratic principles and human rights”, “rule of law and good governance” as well as “sustainable development” (EU/ROK 2010).

As for which type of infrastructure is to be covered, the two diversified advanced economies would probably both want to stress the whole range of possibilities. However, it is important to consider whether the cooperation should focus its attention on a more limited set of infrastructure issues. The EU already has a number of bilateral partnerships, and outstanding success stories in the sense of “lighthouse projects” are still largely absent, even in the case of the oldest agreement, the 2019 partnership with Japan. From that perspective, entering a new agreement only seems meaningful if it offers some real added value, and this is more likely when focusing on topics where truly groundbreaking progress can be made. This is a perspective that will probably also be preferable for the ROK.

One obvious candidate for closer cooperation is digital connectivity. The Republic of Korea has a very strong digital economy and highly successful enterprises both in hardware and in content, while the EU offers a huge market potential and is a global rules pioneer related to digital privacy and related issues. Combining the skills of both can provide veritable and attractive alternatives compared to the market excesses of digital platforms originating from the US and the opacity of Chinese digital solutions. South Korea's Moon government has proclaimed a Digital New Deal, and also the EU's new Commission in late 2019 announced a vision for Europe's digital transformation by 2030 ("Digital Decade") as one of its key projects. A EU-Republic of Korea High Level Policy Dialogue on the digital economy has been held in November 2020, after which the two parties already noted "a common vision for 6G and for connectivity in data infrastructures" (Viola and Jang 2020). Cyber security and data privacy seem important candidates for cooperation, also related to the neighbourhood of North Korea that has been found the origin of malicious cyber-attacks in the past (Desmaele et al. 2021, particularly p. 25). An intensified digital cooperation could also include the commercialization of innovation and digital official development assistance (ODA) (Dekker and Okano-Heijmans 2020).

Another candidate for a deepened ROK-EU connectivity cooperation are projects related to the green or climate agenda. Beyond the urgency of ecological concerns, this also holds for the pragmatic reason that to make sizable funds available, it is highly desirable to link it to one or even both of the two top priorities of the new, post-2019 European Commission, namely the digital and/or the green transformation, dubbed the "European Green Deal" by the EU authorities. The EU already seems to be moving into that direction. For instance, during the November 2021 Glasgow climate conference, Commission President von der Leyen said referring to South Africa: "Thus, Global Gateway and B3W and the Clean Green Initiative are not only complementary, but they even reinforce each other" (von der Leyen 2021b). The ROK announced its own Green New Deal in 2020 with similar decisiveness. There has already been an EU-Korea Climate Action Project from 2018, which was to end in 2020, laying the groundwork for further cooperation. Obviously, not all possible bilateral activities concerned with the green agenda will be related to connectivity. However, quite a few are, also related to physical connectivity issues in a narrower sense, for instance related to energy networks/grids, smart energy – also related to digitalization –, renewable energies or LNG routes. An example for the wide range of possible topics is the German-Australian hydrogen accord signed in mid-2021, which hopes to contribute, among production issues, to developing new trade routes for hydrogen (Reuters 2021).

There are other sub-categories of infrastructure that a bilateral EU-Korea agreement might want to lay some emphasis on. For instance, transport has been on the agenda of EU-ROK bilateral relations for many years (Desmaele et al. 2021, pp. 19-21). However, South Korea has a somewhat disadvantageous geographical position, so the potential for this sectoral cooperation may be limited. Another case is people-to-people exchange like establishing closer links among the academic systems, which is always highly desirable and indispensable for closer future contacts. Still, more people-to-people connectivity is important for all countries and regions, and it should be carefully considered whether its potential contribution in an EU-ROK context can be particularly outstanding.

Apart from the issue on which connectivity sub-categories to focus, one has to consider whether to earmark a certain third country for closer cooperation. Considering the priority areas of the South Korean government explicated in its NNP and NSP, ASEAN, India, Russia or Central Asia would seem the potential candidates. Among them, ASEAN might appear as the most promising area for bilateral cooperation. It offers a huge market of significant geostrategic importance, and digital connectivity as well as sustainable infrastructure, including smart cities for instance, are high on ASEAN's agenda, according to the Master Plan on ASEAN Connectivity 2025 (ASEAN Secretariat 2016). Equally important, ASEAN is eager to implement a foreign relations strategy that does not antagonize either the US or China. From that perspective, cooperating with the EU and the ROK, which pursue a similar logic, could offer an important contribution to avoiding a growing split in the global geopolitical and geo-economic system between a US- and a China-dominated faction. Elsewhere, such a foreign relations strategy of finding like-minded middle powers has been called an alignment strategy (Pascha forthcoming). Viewed from an ASEAN perspective, the EU and the ROK, seen separately, hardly count as major global partners on the same level as the US and China, because the EU seems too distant and the ROK too small. As a middle power coalition of ASEAN, the EU and the ROK, such a cooperative scheme among the three would promise additional weight. After realizing a bilateral agreement between the ROK and the EU first, which earmarks ASEAN for closer cooperation, the longer term vision could be a trilateral partnership agreement among the three.

Should the cooperation between the ROK and the EU be extended to the multilateral level? Both share a deep interest in an open, free and level-field multilateral system, so it is sensible for both to cooperate on that level, for instance in schemes like the WTO, OECD, G20, etc. Developing joint initiatives and supporting common concerns may be particularly fruitful, as the EU can represent the group of the established advanced economies, while South Korea, although also a newly advanced economy, still has considerable common ground with the emerging economies and their dynamism.

As for a longer term perspective, one might contemplate a partnership on common multilateral concerns with Japan, with which the EU already has an agreement to cooperate on multilateral connectivity issues. Under the current political circumstances, with considerable historically-based diplomatic burdens between the ROK and Japan, such a trilateral grouping seems hardly feasible yet. Still, such a coalition of major middle powers with an agenda of a free, open and rules-based international order could develop a strong momentum and could be an attractive focal point for more or less like-minded partners like ASEAN or Canada as well. There would be the additional attraction of bringing South Korea and Japan closer together. After all, it has always been almost tragic that despite so many common strategic concerns as advanced and open economies, there is so much persistent friction between the ROK and Japan. For the EU, it would be a major contribution to the international system to help bring the two together, based on a common multilateral connectivity agenda.

Returning to the issue of what an EU-ROK connectivity partnership might focus on, involving the private sector would certainly be a major concern, in line with the other three agreements the EU has already concluded. Infrastructure projects are enormously complex and large-

scale. Successfully crowding-in private financial investors, major construction and transport companies, electronic hardware and software suppliers or else is thus a critical bottleneck when preparing major lighthouse projects (on the economics of infrastructure projects: Pascha 2020). The connectivity agreements that the EU has concluded are typically governed by the joint mechanisms that the EU and the respective partner have installed for their bilateral framework agreements, in the case of Japan for example the Joint Committee of the EU-Japan Strategic Partnership Agreement. This will typically be a government-to-government mechanism. In order to better involve the private sector in a ROK-EU connectivity agreement, below such a formal oversight committee the chief operational mechanism should involve both governmental *and* private sector representatives, however.

As for peculiar features of an EU-ROK agreement, the potential role of North Korea deserves attention. Under the current conditions of the UN sanctions regime, cooperating with the DPRK on infrastructure projects is inconceivable for the time being. In the longer term, however, closing the connectivity gap that separates South Korea from the rest of the Eurasian continent is of primary importance for the country. Therefore, including a reference to North Korea in the ROK-EU agreement, namely that connectivity projects for the whole Korean peninsula can be included among the joint projects once the political preconditions with respect to North Korea are fulfilled, would make some sense. Even more, it would explicitly signal the willingness of a major player, the EU, to engage in a peaceful process of cooperation on the Korean peninsula, and could thus create some useful incentives.

Conclusions

The paper is based on the observation that connectivity or infrastructure – here used synonymously – has recently developed into an important arena of international economic relations with a pronounced geopolitical and geo-economic significance. It is thus also a relatively new and fast-moving field for economic diplomacy that deserves close attention. Both the ROK and EU have introduced their own initiatives and are developing them further. Their activism is in both cases guided by a sense of creating a hedging approach vis-à-vis the US and China, as both the US and China are critically important for them, while some degree of strategic autonomy from them is also considered highly desirable. As the EU and the ROK thus pursue similar and compatible interests and strategies, closer cooperation is desirable – and at least deserves closer scrutiny.

The paper proceeded to elucidate the possible range of topics to be covered in an EU-ROK connectivity agreement. To lay out a framework for such an exercise, the content of already existing connectivity agreements of the EU with Japan, ASEAN and India was introduced as a reference point. On this basis, the following items were identified as meaningful for a ROK-EU agreement:

- In terms of values and principles, the EU and the ROK share a lot of common ground: this includes democratic principles and human rights, the rule of law and good governance as well as a concern for sustainable development. This important common ground should be made explicit in the agreement.

- Within the range of potential connectivity activities such as energy, digital connectivity, transport and people-to-people exchanges, digital connectivity issues are particularly promising due to the background and aspirations of both partners. Another candidate for a deepened cooperation is projects related to the green or climate agenda. This list could be extended further, but it seems sensible to focus on a limited number of priorities in order to be able to produce visible success stories fast.
- In terms of third country cooperation, ASEAN appears as a meaningful geographical focus. Both the ROK and the EU have made this area a priority in their own initiatives, and ASEAN shares a similar interest in strategic autonomy. Ultimately, there might even be a trilateral connectivity agreement among the three.
- Both the EU and the ROK share a deep interest in an open, free and level-field international system, so it is sensible for them to cooperate on the multilateral level. In the longer term, one might even aspire to a trilateral partnership on multilateral connectivity issues with Japan, based on the common concerns for a liberal international order - although currently that seems hardly feasible due to the diplomatic burdens between the ROK and Japan.
- In an EU-ROK agreement, a particular focus should be laid on involving the private sector. This could imply the creation of high-level institutional mechanisms involving both the government and private enterprises or organisations.
- Finally, the agreement may want to contain a vision on eventually including North Korea in the scope of connectivity activities, in case that the political preconditions for such an engagement can be fulfilled. This could serve as a signal and as an incentive for a viable way forward on the Korean peninsula.

While some observers speculate that the global political-economic system is on the path of bifurcating into a western, US-led, and into a China-led faction, a potent EU-ROK connectivity partnership could strengthen the case for sustaining an inclusive, open, free and level-field multilateral system.

Table 1: The EU’s connectivity agreements with Japan, ASEAN, and India

	Partnership on Sustainable Connectivity and Quality Infrastructure Between Japan and the EU, 2019	EU-ASEAN Joint Ministerial Statement on Connectivity, 2020	EU-India Connectivity Partnership, 2021
Values	Free, open, rules-based, fair, non-discriminatory and predictable (trade and investment)		Democracy, freedom, rule of law, respect for human rights Respect for international commitments
Principles	Sustainability, quality infrastructure, level playing field Partners’ needs like fiscal capacity and debt-sustainability Openness, transparency, inclusiveness	Post-COVID 19-recovery to build back better, greener, more sustainable, inclusive, resilient	Transparent, viable, inclusive, sustainable, comprehensive, rules-based Good governance, level playing field Alignment with expressed interests of concerned communities Support digital and green transitions
Types of infrastructure	All dimensions, bilaterally and multilaterally, incl. digital, transport, energy and people to people	Sustainable infrastructure, digital innovation, seamless logistics regulatory excellence, people mobility (ASEAN perspective) as well as energy, digital, transport, people-to-people (EU perspective) Green growth	Digital, transport and energy networks; flow of people, goods, services, data and capital
Emphasized sectors (with examples in brackets)	<ul style="list-style-type: none"> Digital connectivity (secure cyberspace, Data Free Flow with Trust, rule-making for electronic commerce) Transport (Japan-EU) 	<ul style="list-style-type: none"> Energy Smart cities Digital connectivity (data privacy, cyber security, EU-ASEAN Dialogue on ASEAN Digital Index) Transport (EU-ASEAN) 	<ul style="list-style-type: none"> Digital connectivity (submarine cables, 5G), Energy (EU-India Clean Energy and Climate Partnership), Transport (EU-India Aviation Summit),

	<p>Transport Dialogue)</p> <ul style="list-style-type: none"> • Energy (hydrogen, LNG) • People-to-People (Joint Committee on ST Cooperation) 	<p>Transport Dialogue, regulatory alignment)</p> <ul style="list-style-type: none"> • People-to-People (EU-ASEAN Dialogue in ST) 	<ul style="list-style-type: none"> • People to People (S&T Agreement)
Cooperation on norms and rules	Regulatory cooperation, setting up a model		Normative regulation, international standards
Multilateral cooperation	G7, G20, OECD, World Bank, IMF, EBRD, ADB, etc.		
Role of the private sector	Engagement for investments	Crowd-in private sector investment	Incentivize private sector, promote cooperation of EU and Indian private sectors
Third countries	Partner countries		Developmental cooperation with partner countries
Emphasized areas of third country cooperation	Western Balkans, Eastern Europe, Central Asia, Indo-Pacific, Africa		Africa, Central Asia, Indo-Pacific Support Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
References to multilateral and bilateral frameworks	<p>G20 Principles for Quality Infrastructure, Paris Agreement, 2030 Agenda for Sustainable Development</p> <p>Context of Japan-EU Strategic Partnership Agreement (SPA) and Economic Partnership Agreement (EPA)</p>	<p>WTO commitments, G20 Principles for Quality Infrastructure, International Platform on Sustainable Finance, Paris Agreement, 2030 Agenda for Sustainable Development</p> <p>EU-ASEAN Trade and Investment Work Programme 2020-2021</p>	Paris Agreement, 2030 Agenda for Sustainable Development, Sendai Framework for Disaster Risk Reduction, UN Convention on Biological Diversity, SDGs, ILO conventions, G20 Principles for Quality Infrastructure, International Platform on Sustainable Finance, et al.
Involved mechanisms	<p>Joint Committee of the SPA</p> <p>High-level Industrial, Trade and Economic Dialogue</p>		<p>Social and environmental impact assessments</p> <p>EU-India Strategic Partnership Review Meeting</p>
Special features		Statement on <i>exploring</i> a possible connectivity partnership	Most detailed document, 4 pages

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