
KOREA-INDIA STRATEGIC DIALOGUE 2019

제18차 한국-인도 다이알로그 결과 보고서

Reinvigorating Strategic Ties in a Volatile World

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장	소	타지마할 호텔, 뉴델리, 인도 (The Taj Mahal Hotel, New Delhi, India)
공 동 주 관		서울국제포럼 (The Seoul Forum for International Affairs, SFIA) 한국국제교류재단 (The Korea Foundation, KF) Ananta Aspen Centre, AAC

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Session 4 Encashing the Human Capital:
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Session 5 Blueprints of a New Architecture: Opportunities and Obstacles
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Joint Statement

공동 선언문

JOINT STATEMENT

The 18th Korea-India Strategic Dialogue

Reinvigorating Strategic Ties in a Volatile World

8th November – 9th November, 2019

New Delhi

The 18th India-Korea Strategic Dialogue, co-hosted by the Ananta Aspen Centre, Seoul Forum for International Affairs and the Korea Foundation, was held on 8th-9th November 2019 in New Delhi, India. The Dialogue was held in partnership with the Ministry of External Affairs, Government of India.

The purpose of this Dialogue was to highlight the opportunities and challenges for strengthening India-Korea bilateral relations and to provide concrete policy recommendations.

The Dialogue brought together leading policy makers, academics, cultural specialists, defense and security analysts, and representatives from industry for focused discussions on the theme “reinvigorating strategic ties in a volatile world.”

The Dialogue deliberations emphasized the following points:

- 1) The participants agreed that the India-Korea Strategic Dialogue is an excellent platform to engage constructively for advancing our strategic partnership to supplement the effort of both governments to build a strong bilateral relationship.
- 2) On the strategic and security front -
 - Both sides agree that the bilateral relationship is on an upward trajectory and the alignment of India’s “Act East” Policy with Korea’s “New Southern Policy” should serve as a platform for harnessing the potential for collaboration going forward.
 - The common principles of democracy would serve as a foundation to further explore this bilateral relationship and both sides hope to work together to promote democratic values in other countries around the world.
 - Both sides recognize the urgent need to develop a comprehensive denuclearization roadmap of the Korean peninsula and acknowledge the encouraging signal from DPRK’s new national development strategy focusing on economic construction.

- A regular exchange of perspectives at track 1 and track 2 levels on developments in the Indo-Pacific region could generate ideas for India-Korea cooperation towards shared objectives.
- A rigorous analysis of the Pakistan-DPRK collaboration on nuclear and missile technologies could provide valuable information relevant to the security of both countries.
- Both sides recognized the importance of the United States' contribution to the stability of Northeast Asia and other strategic regions in the world and hope that efforts for a denuclearization of the Korean peninsula can be brought to an early fruition. US and ROK are encouraged to take a pragmatic and flexible approach in their diplomatic efforts.
- For cooperation in the Indo-Pacific region - both sides recommend holding regular government to government meetings especially between the ROK's Ministry of Foreign Affairs and the Indian Ministry of External Affairs to develop a common vision encompassing trade, security, tourism and investment in the region.
- Both sides acknowledge that sustained effort should be made to encourage joint ventures in the area of defence.

3) On the economic front, both sides reaffirmed that there is immense scope and emphasized the importance of producing tangible outcomes across sectors:

- It is recommended that regular high-level meetings be held for upgrading CEPA with the aim to arrive at an early conclusion, to increase bilateral trade and investment.
- Both sides urged for the early confirmation of the projects and execution of the \$ 10 billion financial package at the 2015 summit. A proportion of this package could be used to seed a private-public Research & Development Fund in Artificial Intelligence, Big Data and IoT research.
- Both sides underlined the importance of greater investment cooperation. It was recognized that India's huge infrastructure needs and a growing small and medium enterprises sector offer a huge opportunity for increased cooperation between the two countries.
- Both sides need to promote synergy between Korea's manufacturing strength and India's IT & start up ecosystem especially with joint ventures in small and medium enterprises.
- Both sides agreed that opportunities to jointly work in third countries should be explored. The development aid agencies and Exim Banks of both countries should hold consultations to discuss means to promote this.

4) Easing the regulations for travel and tourism, especially the visa process for Indians travelling to South Korea by introducing e-visas, visas on arrival, greater air & digital connectivity would increase the people to people connect.

- 5) The participants agreed that the historical and cultural legacy of both countries that are considered to be the land of the Buddha have great potential to enhance the human connect. The Indo-Korean ties could be leveraged by boosting knowledge of our shared links in food, festivals and arts. Promotion of Korean as a language in India would boost the human connect further.
- 6) The participants recommended the Korea-India bilateral summit be held annually to sustain the momentum of our special strategic partnership.
- 7) The participants look forward to the 19th Strategic Dialogue to be held in South Korea in 2020.



JUNG Ku-Hyun
President
The Seoul Forum
for International Affairs



LEE Geun
President
The Korea Foundation



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Executive Summary

종합 보고

제18차 한국-인도 다이알로그가 학계, 정계, 및 재계의 다양한 전문가들이 모인 가운데 2019년 11월 8일~9일 인도 뉴델리에서 개최되었다. 'Reinvigorating Strategic Ties in a Volatile World'라는 주제 하에 모인 참가자들은 국내 및 국제 정치, 기술 혁신, 경제 패러다임의 전환과 인적 자본 교환에 이르기까지 광범위한 분야에서 양국의 협력방안을 강구하는데 초점을 맞추었으며, 변화하는 국제 사회에서 한-인도의 지위를 강화하기 위한 구체적인 정책 제언도 이루어졌다. 본 다이알로그는 서울국제포럼, 한국국제교류재단, 그리고 Ananta Aspen Centre가 공동주최하였다.

첫 번째 세션은 한국과 인도의 정치·사회 발전을 다루었다. 세계화와 신자유주의 경제 성장의 결과로 오늘날 상당수의 국가는 미·중 패권경쟁, 보호무역주의 확산, 소득 양극화의 심화 등으로 불안정한 국제관계의 와중에서, 많은 정치 지도자들은 대중의 불만을 이용하여 정치적 이익을 추구하기 위한 포퓰리즘 정책을 펼치고 있다. 이 세션에서는 한국과 인도의 정치·사회 현안을 검토하였다. 먼저, 2019년 인도 총선에서 큰 승리를 거둔 인도국민당(BJP)과 나렌드라 모디 총리의 정책에 초점을 맞추었다. 많은 참가자들은 모디 총리 개인에 대한 대중의 높은 지지율이 BJP 승리의 견인차 역할을 했다는 의견에 동의했으나, 현 정부의 포괄적인 복지 정책 역시 지난 임기 동안 큰 성과를 내지 못한 점에 대한 우려를 압도할 만큼 모디 총리에 대한 인기가 영향력을 발휘했다고 지적했다. 한편, 한국 정치 발전에 대한 논의는 '광장 정치(protest politics)'에 초점이 맞춰졌다. 국민의 힘을 통해 민주주의를 실현하고자 하는 현대 한국 대중의 광장 정치는 합리적이고 조직화된 시민 정치의 새로운 모습으로 승화되어야 한다. 이를 위하여 한국의 정당 및 국회가 한국 정치 발전에 선순환 역할을 하여야 한다.

두 번째 세션은 국제적으로 가시화되고 있는 '산업 4.0 (Industry 4.0)'에 대해 논의했다. 18세기의 산업혁명과 마찬가지로 제4차 산업혁명의 과학 및 기술 혁신은 노동 시장에 불안감을 야기하고 있다. 인구 감소에 따른 노동력 대체 요인으로 작용하고 있는 선진국과는 달리 인도와 같은 개발 도상국은 더 큰 도전에 직면하고 있다. 그럼에도 불구하고, 발표와 토론에서 제4차 산업혁명의 기술 발전이 인도의 현재 역량과 자원으로는 실현이 어려운 SDG 지속가능개발 목표를 달성하기 위한 효과적인 수단일 수 있다고 지적하였다. 또한, 인도와 한국의 젊은 세대에서 나타나는 혁신의 잠재력과 산업 생태계가 산업 4.0에 대한 기존의 우려를 기회를 변화시킬 수 있다는 주장도 있었다. 이러한 잠재력이 발휘된다면 일자리 창출뿐만 아니라 인도와 한국의 국제 경쟁력 및 경제적 도약에도 도움이 될 수 있기 때문이다. 구체적으로 인도는 인구 강점을 새로운 비즈니스 모델을 생성하기 위한 수단으로 활용해야 할 것이다. 매년 인도에서 배출하는 7천만 명의 대학 졸업생 중 55%가 첫 직장으로 대기업보다 스타트업을 선호하는 것으로 조사되었다. 인도 정부 역시 스타트업 생태계를 장려하기 위한 여러 국가 프로젝트를 효과적으로 수행하고 있다. 반면, 한국은 경쟁력을 가진 ICT 산업 및 기술을 통해 제4차 산업혁명 내 주도적인 역할을 꾀하고 있는 것으로 보인다. 그러나 신산업을 육성하기 위한 산업계의 기반은 마련된

반면, 교육 시스템과 핵심 기술력 등의 면에서 한국은 경쟁력을 발휘하지 못하고 있다. 이러한 양국의 특성이 효율적인 양자 협력을 위한 좋은 근거라는 점에 많은 참가자가 동의를 표했다.

세 번째 세션은 한반도 안보 상황을 중점적으로 다루었다. 한반도의 지정학적 딜레마는 세계 열강인 미국, 중국, 일본, 러시아, 그리고 남·북한이라는 분단 국가라는 점에 기인하고 있다. 더욱이 미·중·일·러는 오랜 지정학적 갈등의 역사를 가지고 있으며, 현재 ‘핵 외교 (nuclear diplomacy)’의 형태로 전개되고 있다. 북한의 경우에는 정권의 존폐를 가르는 문제일 수 있다는 지적이 있었다. 경제제재에 대한 미국 트럼프 대통령의 강력한 의지의 결과로 일부 전문가는 북한이 외화 부족으로 인한 심각한 경제 위기를 단 2-3년 안에 맞이할 수 있다고 예측하기도 한다. 한편, 합의를 도출하지 못했음에도 불구하고 2019년 2월 하노이 정상회담은 시사하는 바가 크다는 의견이 있었다. 첫째, 북한이 현실적인 합의안을 받아들일 수 있도록 외교적인 노력이 필요하며, 특히 실무 협상의 중요성을 강조할 필요가 있다. 미국 역시 유연하게 접근해야 한다는 지적이 따랐다. 다시 말해, 경제 제재는 유지하되, 체제 보장과 관련된 북한의 우려를 감소시킬만한 진지한 노력이 병행되어야 한다. 한 한국 측 참가자는 2020년 상반기 내 의미 있는 ‘스몰딜(small deal)’에 북·미가 합의하는 것이 낙관적 시나리오일 것이라고 예상했다. 동시에, 북·미 한쪽도 양보하지 않을 시 최악의 시나리오가 펼쳐질 수도 있다고 주장했다. 이는 북한 ICBM 및 핵 실험, 그리고 한·미 연합 군사훈련의 재개로 이어져 한반도에 또 한번 긴장을 초래할 것이며, 결국 국제사회가 장기적인 격리 및 억지 전략을 채택하여 북한을 고립할 것이라고 예측했다.

네 번째 세션에서는 한국과 인도의 인적 자본 교류 현황을 검토했다. 먼저, 한국 및 인도 대중의 상호 인식이 일차원적이라는 문제를 양측 발제자 모두 제기하였다. 한국은 인도를 단순히 신흥시장으로 취급하고 있으며, 인도도 마찬가지로 경제적 이해관계의 한 단면으로 한국을 인식하는 경향이 강하다. 비즈니스 문화(work culture)의 차이 역시 깊이 있는 문화 및 인적 교류를 방해하는 요소로 제기되었다. 전문성과 형식을 중요시하는 한국과는 달리 인도는 본질적 가치와 독창성에 중점을 두기 때문에 양국 비즈니스 교류 시 끊임없는 마찰이 빚어진다는 의견이 있었다. 따라서, 역사와 문화에 관한 상호 이해가 효과적인 인적 자본 교류의 기초가 되어야 한다는 인도 발제자의 의견에 많은 참가자가 동의를 표했다. 더불어, 이 세션에서는 양국 학계의 합작 연구, 학생 대상 문화 교류 프로그램, 그리고 엔터테인먼트 산업에서의 협력이 증대되어야 한다는 의견이 주를 이루었으며, 관광을 촉진하기 위한 비자 발급 절차의 간소화도 요구되었다.

다섯 번째 세션은 ‘인도-태평양 전략’을 다루었다. ‘인도-태평양’이라는 용어는 최근 지정학에서 광범위하게 사용되는 개념 중 하나이나, 그 정확한 정의에 관한 합의는 아직 부재하다. 인도 역시 인도-태평양을 외교 정책의 중요한 축으로 취급하나, 광범위한 해석의 여지를 의도적으로 유지하고 있는 듯하다. 그럼에도 불구하고 변하지 않는 것은, 인도-태평양을 분리할 수 없는 단일의 전략적 장소로 취급해야 한다는 인도 정부의 기본 의도이다. 특히, 인도-태평양이 패권 경쟁의 지역이 되지

않도록 방지하는 전략적 노력이 집중되고 있다. 또한, 이 지역 내 중국의 패권 행사를 막고 세력균형을 이루기 위해서는 중국을 긴밀한 안보 네트워크(security architecture)에 합류시켜야 하며, 인도 정부는 이에 있어 한국을 중요한 잠재적 파트너로 간주하고 있다. 한편, 인도-태평양 전략이 한-인도의 경제 관계, 특히 인프라 구축과 무역 면에서 한국이 참여할 수 있는 기회가 있다는 한국 측 참가자의 의견이 있었다. 한국의 대중 무역 의존도가 지속 상승함에 따라 한국 경제는 인도를 비롯한 아세안 국가와 그 어느 때보다 적극적으로 협력해야 할 시기이다. 문재인 정부의 '신남방 정책' 또한 이러한 의지의 일환으로 여겨진다. 따라서, 인도-태평양 전략은 한국과 인도의 안보 협력뿐만 아니라 포괄적경제동반자협정(Comprehensive Economic Partnership Agreement, CEPA)의 개선 등 지역 경제협력을 논의하기 위한 좋은 근거를 제공할 수 있다.

마지막으로, 여섯 번째 세션에서는 세계 경제 침체라는 맥락 내에서 한국과 인도의 경제 성장에 대한 논의가 이루어졌다. 그러나 인도의 경우에는 세계 경제의 둔화가 인도 국내 경기 침체의 유일한 요인이 아니라는 지적이 있었다. 오히려 국내 투자 정체, 민간 소비 부진, 인도 산업계의 역량 부족이라는 세 가지 기본 요소를 먼저 살펴봐야 한다고 인도 측이 주장했다. 이 발제자는 또한, 한-인도 CEPA의 개선이 인도 경기 침체의 확실한 해결책 중 하나가 될 수 있다고 예측했다. 다만, 한국이 인도에서 수입하는 상품의 품목 수 기준 93%를 관세 철폐 대상으로 삼고 있는 반면, 인도의 관세 철폐 대상이 비교적 적은(75%) 데에는 인도가 최근 보호무역주의적 경향을 보이기 때문이라 설명했다. 이에 대해 인도 측 발제자는 양자 교역을 투자와 연계하면 이러한 불균형을 해결할 수 있을 것이라 주장했다. 무역 적자가 상당한 쟁점이 되는 국가에서는 투자주도형 경제 협력이 비교적 적은 정치적 저항을 받기 때문이다. 한편, 한국의 경기 침체는 '뉴노멀(New Normal)' 현상 때문이라는 의견이 개진되었다. 한국이 과거 주도적인 역할을 맡아온 다자주의 기반의 자유주의 무역 질서는 최근 지정학과 지경학적 요인으로 쇠퇴하고 있다. 한국 경제는 지금 저성장, 저고용의 장기화 현상에 직면하고 있다. 한국경제는 4차 산업 혁명시대를 맞이하여 혁신 주도의 경제로 전환해야하는 도전적 과제를 안고 있다. 동시에 급격한 소득 양극화와 노동 시장 변화로 인한 내부 위험 요소도 간과해서는 안 된다. 한국이 혁신적인 성장 동력을 유지하기 위해서는 현 정부의 소득주도성장 정책보다 기업이 정신과 기업 투자를 장려하는 친기업 정책이 더욱 효과적일 것이라는 한국 측의 의견이 있었다.

제18차 한국-인도 다이알로그는 인도와 한국 양국 공동의 관심사를 다양하게 다루었으며, 참석자들은 이번 18차 포럼이 내용과 형식 면에서 양측의 견해가 합치하는 다이알로그였다고 의견을 같이하였다. 또한, 한국-인도 다이알로그가 양국의 전략적 파트너십 발전에 필요한 협력 방안을 탐색할 수 있는 효과적인 플랫폼이라는 데 많은 참가자가 공감했다. 인도 측 나사드 포브스 박사와 한국 측 안충영 공동의장을 포함한 참가자들은 2020년 서울에서 더욱 알찬 다이알로그를 기대하며 회의를 마쳤다.

The 18th Korea-India Strategic Dialogue brought together leading policy makers, academics, defense and security analysts, and representatives from business for in-depth discussions under the theme of “Reinvigorating Strategic Ties in a Volatile World.” The forum jointly organized by the Seoul Forum for International Affairs, the Korea Foundation, and the Ananta Aspen Centre was held from November 8~9, 2019, in New Delhi. Participants from each country held fruitful discussion on a wide range of issues, from international and domestic politics to technological innovation, economic transitions and exchange of human capital. Many opportunities and challenges for the Korea-India bilateral relations were highlighted, followed by concrete policy recommendations on ways Korea and India can collaborate to reinforce their positions in a changing global community.

The first session dealt with current socio-political developments in India and Korea. The present day is a unique time in history as domestic political and economic order in many countries are destabilizing more than ever due to some negative legacies of globalization and neo-liberal economic growth. Meanwhile, many political leaders resort to utilizing public complaints to fan populism for individual political interests. In this session, the current states of Korea and India’s political development as well as social agendas were reviewed as a means to providing a broader context for discussing pending issues in later sessions. In particular, the implications of the surprising landslide victory by India’s BJP in the 2019 general elections received much attention. While many participants agreed that a considerable part of the victory was owed to Indian Prime Minister Narendra Modi’s personal popularity, it was also pointed out that the public support for the current administration’s comprehensive welfare schemes trumped disapprovals for its poor economic performance. On the other hand, “protest politics” was the focus of the discussion on Korea’s domestic politics. The contemporary Korean public’s strong tendency for using protest politics is an entirely new mode of rational, purposeful, and organized citizen politics that aims to reinvent democracy via “people power.” At the same time, many participants agreed that the problem in Korean politics lies in weak intermediary institutions—political parties and the National Assembly, to be specific. Because of this weak link, relations between the state and civil society remain contentious.

The second session discussed Industry 4.0, of which its factors are becoming a global trend. As it was for the Industrial revolution, Industry 4.0’s scientific and technological breakthroughs are stirring up anxieties about its effects on the labor market. While many advanced countries have demographic declines that work as a compensating factor for labor shortage, developing countries with large populations face larger challenges. India however, may use this opportunity due to Industry 4.0 as an engine for achieving SDG goals that are at the moment in the far reach considering its current capacities and resources. Technological breakthroughs can allow India to get through the SDG goals in a manner which technological capacities conclude difficult. Another dimension associated with Industry 4.0 is the innovative potential and ecosystem emerging amongst both India’s

and South Korea's younger generation. When further developed, such potential can help both economies leap and attain global competitiveness, in addition to fueling job creation which a conventional understanding of Industry 4.0 would say difficult. In specific terms, India's demographic strength needs to be better utilized as a means of producing new business models. India annually produces 70 million college graduates, of which 55% have indicated preference to start employment in start-ups rather than established businesses. The Indian government is also doing well in supporting these young aspirations via a well-functioning national initiative to promote the start-up ecosystem. Korea on the other hand, is focusing on acquiring a leading role within the Fourth Industrial Revolution via its network and ICT capabilities. While Korea has created a solid basis on the industry level for embracing the Fourth Industrial Revolution's new industry fields, its weaknesses lie in competitiveness in key technologies as well as the education system. Many participants agreed that such characteristics of the two countries provide good grounds for effective collaboration.

The third session focused on the situation on the Korean Peninsula. The geopolitical dilemma of the Korean Peninsula involves a small peninsula divided in two, surrounded by four of the most prominent powers of our world. What is more, these neighboring four nations have a long history of geopolitical conflict. The contemporary version of this kind of power struggle is embedded in nuclear diplomacy. For North Korea in particular, the nuclear capability development has become a matter of life and death for the regime. And as a result of US President Donald Trump's decisiveness to impose forceful economic sanctions—as well as to persuade Chinese President Xi Jinping to come onboard—some specialists even estimate that North Korea will face a severe economic crisis within two to three years due to lack of foreign currency. In the meantime, the unsuccessful conclusion of the Hanoi Summit in February, 2019, does bear lessons. The first is the need for a realistic proposal from North Korea—one that does not neglect the importance of working level negotiations. The same goes for the United States, as it was pointed out during the session that the US should also take a more flexible approach. In other words, continued economic sanctions must go parallel with a more sincere effort to mitigate North Korea's security concerns. One Korean participant argued that while the most optimistic scenario possible is a small, but meaningful US-DPRK deal by spring 2020 that allows for Kim Jong-un to presume an authoritarian, developmentalist leader position, the pessimistic outcome forecasts compromise from neither sides. This insinuates the continuation of ICBM and nuclear tests, ROK-US military exercises, and thus another round of risky tension on the Korean Peninsula. The United States as well as the rest of the international society may end up continuing to isolate North Korea, adopting a long-term containment and deterrence strategy against it.

The fourth session examined the current status of Korea-India bilateral people to people and cultural exchanges. Speakers from both sides repeatedly noted that reciprocal perceptions by the Korean and Indian public have been,

and continue to be poorly one-dimensional. The Korean public for example, sees India simply as an emerging market perhaps with potentials of becoming the post-China. Similarly, the Indian view of Korea is also limited economic relations and interests. A difference in work culture was raised as another example that hindered more profound people-to-people ties. Even with the immensely increased amount of investment coming in from Korea to India, frictions continue to arise in the business sector; Korea's work culture emphasizes professionalism and discipline, while India more values intrinsic worth and originality. Many participants agreed to the opinion that a better mutual understanding of each other's history and culture should be the fundamental base for effective human exchange. With this backdrop, participants put forward many areas that required more efforts from the private and governmental sectors of both countries. Joint scientific research projects, culture exchanges at all levels, student exchange programs, collaboration in the film and entertainment industry, and facilitating visa procedures to promote tourism were especially called for.

The fifth session focused on opportunities and obstacles in navigating the emergence of the Indo-Pacific. While the Indo-Pacific is one of the most popularly branded-around expressions in geopolitics today, a consensus on its precise definition seems to be absent. Similarly, while India treats the Indo-Pacific an important part of its foreign policy, it has also deliberately kept the concept open to interpretation, as it hopes for more to endorse this idea. Nevertheless, the underlying intention of term is that the Indo-Pacific cannot be separated as two regions and rather should be treated as an overlapping strategic place. Ensuring that the Indo-Pacific does not become a region of hegemony for any other power is another critical interest of India. And because drawing China into a tight web of relations and institutions is imperative to preventing it from exercising hegemony and thus creating a balance of power in this region, India considers Korea a valuable potential partner in realizing this security architecture. The Indo-Pacific however, also carries optimistic outlooks in terms of the Korea-India economic partnership—infrastructure and trade dimensions, in particular. Korea continues to face significant risks due to its excessive dependency on trade with China. As a result, Korea must reach out to India and ASEAN countries more aggressively than ever, which is also dictated by the current administrations "New Southbound Policy." In this regard, the Indo-Pacific vision can provide good grounds for discussing economic cooperation (upgrading the CEPA, for instance) in addition to security talks.

Finally, the sixth session discussed India and Korea's economic landscape in the global economic slowdown. It was first pointed out that in India's case the global economic slowdown is not the only factor behind domestic slowdown. One Indian participant advised that India's economic slowdown should not be viewed solely via the prism of the global slowdown. Rather, stakeholders must pause to understand three fundamental factors: stagnant domestic investment, underperforming private consumption, and low capacity of the Indian industry.

One obvious solution that involves Korea is upgrading the CEPA. While Korea has abolished tariffs to zero on 93% of their goods to India, India has only abolished 75% of its tradable goods. One participant argued that there seems to be a political explanation to these discrepancies; India is more inward looking, and showing protectionist tendencies. This can be overcome by viewing bilateral trade not in isolation, but by linking it with mutual investment, as investment-led economic cooperation will face the least resistance in a country where trade deficits are a significant political issue. Korea's economic slowdown on the other side was argued to be suffering due to the "New Normal." The multilateralism-based liberal international rule that Korea has actively participated in is now shifting to the other extreme, as the world witnesses the rise of geopolitics and geo-economics on national interests, and the old firewall between security and economics is gone. This causes a challenge for Korea's attempt to initiate an innovation-driven economy. Internal risks such as acute income polarization and labor market disruption (some due to demographic challenges) also linger. One Korean participant asserted that in order to maintain the innovative growth engine, the current administration's focus on income-led growth should shift to creating a pro-business environment that encourages facility investment and entrepreneurship.

The 18th Strategic Dialogue hosted in New Delhi dealt a wide variety of bilateral agendas of shared interest for Korea and India. Overall, the participants agreed that the Korea-India Strategic Dialogue series is a resourceful platform to constructively engage in searching of effective collaboration methods needed to advance the bilateral strategic partnership. The Co-chairs adjourned the meeting by agreeing to another promising and fruitful Dialogue the following year in Seoul.



Session Summaries

세션별 요약

Session 1

New Leaf or Old Waters? Socio-Political Development in India and Korea

India and Korea face a very interesting and unique time in history in terms of politics and economics in both domestic and international perspectives. Domestic political and economic order in many countries are more destabilizing than any time before, suffering due to some negative legacies of globalization and neo-liberal economic order that we have enjoyed since the early 1980s. One of these legacies has brought in increasing economic inequality as well as subsequent domestic political instabilities. The democratic political system does not seem to be as effective in even advanced democracies such as the United States and United Kingdom. Not to say, regions in South America and Europe are experiencing political riots and street demonstrations. But instead of attempting to resolve such issues in a more serious manner, many political leaders are utilizing these complaints to fan populism further for their own political interests. These leaders also blame other countries in attempt to find enemies from outside. Against this backdrop, reviewing the current state of Korea and India's political development as well as social agendas is meaningful and timely, as it will provide a broader context for discussing more concrete and pending issues in later sessions.

During the early stages of the 2019 Indian general election, there was a widespread assumption that Prime Minister Modi would struggle, experiencing a decline of seats to below the required majority number of 272. The major rationale was that Indian voters tend to be unforgiving; Modi's economic reforms in his first term disrupted and slowed down the economy, resulting in a fair number lost jobs. However, the Bharatiya Janata Party (BJP) acquired 303 seats (37% vote share), resulting in a super majority if including its coalition partners (NDA). The primary opposition did not even land 100 seats in parliament, meaning a landslide victory for Modi and the BJP. This is a stunning result given the nature of past Indian politics.

The primary reason for Modi's landslide victory seems to be the large number of his welfare schemes. While some may be symbolic, some are real, such as the Clean India Program (Swachh Bharat Abhiyan, SBA) and the LPG gas connectivity project for example. The Centre for the Study of Developing Societies (CSDS) said as much as 40% of the electorate saw this as the Modi administration's number one accomplishment. Secondly, Modi's personal popularity to voters had a considerable impact. Modi's approval rating as an individual (60-70%) approximately doubles that of his party (30-35%), the BJP. Whenever Modi is on the ballot, the favorable vote share increases as much as 8-10%, as is in the case of the recent national election. His ability to project as man of integrity seems to be his strongpoint; BJP's oppositions have already ordered against engaging in any personal attacks on Modi during upcoming campaigns, as this will only have a negative impact with voters. Thirdly, the BJP's large victory is attributed to its surprising successes in east India, an area where the party traditionally has no strength in. Last component of the BJP's success is promotion of nationalism, as 2-4% of the voters saw this as a component of the voting pattern. While this was not an overwhelming issue for the broader electorate, it was useful for mobilizing the base of the BJP.

As the Modi administration braces for a second term, four major areas seem to constitute the key drivers and goals. The first is Hindu revivalism ideologically based on a conservative, right-wing party. This administration views that legacies of the past socialist, left-centered rule need to be reversed. One major international repercussion of this movement is the decision to amend Article 370 of the Indian Constitution which gives special status to Kashmir. The second area is welfare expansion—in other words, creating the beginning of a modern welfare structure in India. Two major programs are in progress: a universal healthcare program announced at the end of Modi's last term, and "Water for All." The latter, aiming to provide piped water to every home by the end of the next five years, is currently the most central policy issue in the Indian government. The third area is economics, focusing mostly on making India a better place for private business to function; however, corporate tax cuts, privatization, and reforms in sectors such as mining and power need to be worked out. The last area is foreign policy. India's Pakistan policy was a traditional headache, but at the moment, Pakistan's overall weakness results in difficulty for them to go beyond riots. Part of India's China policy deals with keeping China neutral on the Pakistan issue. While China has rhetorically supported Pakistan in the past, a recent summit between Modi and Chinese President Xi Jinping has successfully confirmed for India that China is not prepared to cause problems in this issue. On the flipside, India had to withdraw from RCEP negotiations, creating a hole in India's "Act East Policy." Consequently, India will separately begin bilateral trade negotiations with Indonesia, Vietnam, Australia, and Thailand as well as finish its trade agreement with the United States—preferably before the United States' elections—to compensate for withdrawing from RCEP.

The South Korean political system is quite distinct from that of India. First of all, South Korea's operates a presidential system while India has a parliament. South Korea is a unitary state, unlike India's federal structure. South Korea's presidency is limited to a single five year term with no option of re-election. The next presidential and local elections will take place in 2022, and the general election is scheduled for 2020.

The ruling party, the Democratic Party of Korea (DPK), performed very well in the 2016 general elections, acquiring a landslide victory in all regions excluding the south eastern districts. Although the approval rating gap between the DPK and the major opposition party (the Liberty Korea Party, LKP) experienced a noticeable decrease (single digit level) during August, 2019, the DPK regained its ratings back recently in November. In particular, the DPK has a firm grasp of most regions excluding the south east, including Seoul and Gwangju while the LKP is preferred in some major cities in south eastern parts of South Korea (Daegu and Busan). Hence, the odds for the 2020 general elections do not seem to be in favor of the conservative LKP.

President Moon Jae-in's approval ratings experienced the "death cross" during the same period the DPK struggled, indicating that his disapproval ratings surpassed approval ratings. And likewise, his ratings have similarly

recovered. Referencing from modern Korean history, Moon is doing rather well. Having started with more than 80% of the public's support during his honeymoon period, his current approval ratings (45-48% after half of his term) are only slightly below that of past President Lee Myung Bak's mid-term approval ratings and significantly higher than other previous presidents. Many of his advocates mention the current administration's strong will for prosecution reform as well as diplomatic capabilities for supporting it. Pessimists identify economic incompetence and personnel management policies as factors for disapproval.

South Korea's history of democratization shows a strong tendency for using protest politics. In a gist, protest politics has propelled South Korea's democratization, and it did not slow down even with democratic transition. Most recent examples include the 2004 candlelight vigils against the opposition party led impeachment of then President Roh Moo-hyun, 2008 demonstrations against US beef imports, and the 2016-17 protests due to the massive corruption scandal involving then President Park Geun-hye. Protest politics is viewed upon via two contrasting perspectives. The first group considers it an unconventional mode of political participation that is unpredictable and unaccountable. It believes that these street protesters are organized by highly politicized forces of civil societies and thus is not an accurate representation of the public opinion. The more dominant interpretation however, is that protest politics is an entirely new mode of citizen politics that aims to reinvent democracy via "people power." This perspective regards vigils as a part of the normal political process, arguing that they engage in rational, purposeful, and organized action to mobilize resources required for the pursuit of specific political goals.

Likewise, South Korea's history has enjoyed the benefits of both a traditionally strong state and a contentious civil society. The problem however, seems to lie in weak intermediary institutions: political parties, and the national assembly. Because of this weak link, relations between the strong state and civil society remain conflictual and contentious. This leads both the organized and unorganized societies to pursue their social interests by bypassing the system and resorting to popular protest. This new mode of public participation can be an inspiring way to reinvent democracy; however at the same time, political reforms are also urgent. South Korea needs to foster stronger mediating institutions that have the capability of reforming and institutionalizing the political society. Innovative democratic institutions are needed to incorporate citizens into the political process.

Session 2 **Industry 4.0: Re-examining Patterns and Propelling Innovation**

Factors of Industry 4.0 are rapidly becoming a global reality with quick adaptation from major economies and international companies. Germany was the first to launch an Industry 4.0 program in 2011, followed by the United States, Japan, Italy and France. Northeast Asia on the other hand, kicked off their national efforts more recently. China's 2016-2020 Plan seeks to upgrade key areas of its ten traditional manufacturing sectors to digital manufacturing. Russia in the meanwhile, became the latest large economy to create a national program by launching its "Advanced Industrial Technologies" in 2017.

As a result, the number of IoT connections has increased three-fold in the past five years, and is projected to reach a total of 36 billion connected devices by 2021. Sales of collaborative robots are projected to increase nearly 160% between 2018 and 2020. In terms of scaling up however, adoption of Industry 4.0 technology is lagging. More than 40% of companies piloting or deploying IoT solutions remain in the "still piloting" stage due to lack of resources or knowledge to scale, and high costs of scaling up. While the market and technology are growing at a high velocity, implementation in industry still seems to be a challenge.

Moreover, as it was for the Industrial Revolution, the scientific and technological breakthroughs of Industry 4.0 are again stirring up anxieties about its implications to the labor market. While many advanced countries have demographic declines that work as a compensating factor, developing countries with large populations face bigger challenges. For example, it is estimated that 233 million Indian workers will be vulnerable to automation.

India however, may use this opportunity as an engine for achieving SDG goals that are at the moment in the far reach considering its current technological capacities and resources. Technological breakthroughs can allow India to get through the SDG goals in a manner which current calculations conclude difficult. Another dimension associated with Industry 4.0 is the innovative potential and ecosystem emerging amongst both India's and South Korea's younger generation. When further developed, such potential can help both economies leap and attain global competitiveness, in addition to fueling job creation which a conventional understanding of Industry 4.0 would say difficult. India in particular, has 70 million college graduates per year, of which 55% have said they preferred to start their careers with start-ups, rather than larger corporations. And the fact that a bulk of California's unicorns have also come out of Indian minds is another indicator of how rapidly and substantially the start-up fever is catching up.

India's national policies seem to be doing a good job in supporting this fever. Although India has a weak automation rate in the manufacturing sector, its IoT market as well as market potential in software engineering is rapidly growing. Korea on the other hand has high density of robots in its automated manufacturing sector but a relative weakness in software engineering. While it is aiming to lead the Fourth Industrial Revolution by assuming a leading

role in network and ICT capacities, manufacturing competitiveness, and human resources, many participants agreed that it is unprepared for a Revolution that requires the country to undergo an unprecedented paradigm shift across its economy and society. In particular, Korea was ranked 25th in terms of its educational system. In sum, Korea has world-class science, technology, and ICT capacity but weak competitiveness in key technologies. Korea is also limited in terms of intelligent technology-based SME and venture-backed enterprise innovation. Many participants agreed that the disparate strengths and weaknesses of the Korean and Indian economy provide concrete basis for collaboration.

Session 3 **Conversations, Concessions & Compliance:
The Way Forward for The Korean Peninsula**

The geopolitical dilemma of the Korean Peninsula involves a small peninsula divided in two, surrounded by four of the most prominent powers of our world. What is more, these neighboring four nations have a long history of geopolitical conflict. The contemporary version of this kind of power struggle is embedded in nuclear diplomacy. And for North Korea, the competition has become a matter of life and death for the regime.

United States President Donald Trump has also adopted a more hardline policy against North Korea, compared to the previous administration. Two tools were utilized to apply “maximum pressure”—economic sanctions and military threats. As a result of Trump’s decisiveness to impose forceful economic sanctions, as well as to persuade Chinese President Xi Jinping to come onboard, some specialists even estimate that North Korea will face a severe economic crisis within 2 to 3 years due to lack of foreign currency. Pressure on the military front led to high tensions on the Korean Peninsula throughout late 2017 and 2018. As a result of South Korean Moon Jae-in’s peace diplomacy amidst the 2018 PyeongChang Olympic Games, three inter-Korean summits as well as two rounds of US-NK summits were held.

While the February 2019 Hanoi Summit was concluded without an agreement, the meeting did bear lessons. The first is the need for a realistic proposal from North Korea—one does not neglect the importance of working level negotiations in particular, as an agreement on the precise definition and detailed roadmap of “complete denuclearization” can only be achieved via intense discussions among working level officials. The same goes for the United States, as it was pointed out during the session that the US should also take a more flexible approach. In other words, continued economic sanctions must go parallel with a more sincere effort to mitigating North Korea’s security concerns. Pressure being the sole tactic has resulted in mutual distrust; the US’ pressure has made North Korea more desperate to accelerate its nuclear program. One major technical issue is inspection. North Korea is estimated to have 20 to 60 nuclear heads and 40 to 100 nuclear facilities. The entire 300 inspectors of the IAEA will not suffice to inspect all of these facilities. Successful inspection thus requires North Korea’s voluntary cooperation and commitment, which is unattainable without improvement of US-NK relations. One Indian participant argued for a different take on the Hanoi Summit; Kim Jong-un was blind-sighted by the US Secretary of State Mike Pompeo and National Security Adviser John Bolton, who continuously charged “all or nothing.” This participant suggested the possibility of Kim Jong-un backing out from the Summit due to loss of face in his country.

One Korean participant presented the most optimistic and pessimistic of possible future scenarios on the Korean Peninsula. The optimistic scenario is a small, but meaningful US-NK deal by spring 2020 that allows for Kim Jong-un to presume an authoritarian, developmentalist leader position. The pessimistic outcome however, forecasts compromise from neither the US or North Korea. Trump may have close to none policy room for engaging with

the Korean Peninsula due to the soon presidential campaign as well as his impeachment hearings. If North Korea as a result return to nuclear and missile tests, the ROK-US joint military exercises are likelier to resume, hiking up the possibility of another round of risky tensions in the Peninsula. The United States as well as the rest of the international community may end up continuing to isolate North Korea, adopting a long-term containment and deterrence strategy against it.

Another Korean participant presented an evaluation of recent developments in North Korea based on its new national development strategy. The first pillar of the national strategy is the economy. In April 2018, North Korea proclaimed a new strategic line stressing the economy; the parallel (*byung-jin*) policy, which pursues simultaneous economic and nuclear development, has been North Korea's top priority since Kim Jong-un took over reins. He has effectively replaced Kim Jong-il's military-first policy as well as Kim Il-sung's self-reliance (*juche*) ideology. In particular, permitting market activities allowed people to survive the economic sanctions and maintain a decent level of macro-economic stability.

The new strategy also signals change in the governing system. The State Affairs Commission (SAC) will replace the National Defense Commission (NDC), as the Chairman of the SAC will act as Head of State. Main significance of this constitutional revision is its meaningful departure from Kim Jong-il's military-first policy. Moreover, the Supreme People's Assembly (SPA) will be relocated under the rule of the SAC. Kim Jong-un, while still a cult-figure in North Korea, has developed an image-making strategy that allows him to depart from North Korea's traditional deification of the its leader. Such measures seem to be part of Kim's ambition to portray North Korea as a "normal" socialist state, and himself as a "normal" political leader.

Thirdly, Kim Jong-un is downgrading the positions of North Korea's military elites within the governing system. Directly following the Party meeting in April 2018, North Korea carried out drastic reshuffling and generational change of the military group, in an attempt to consolidate Kim Jong-un's leadership. Military slogans have also vanished from the revised constitution, and a significant number of soldiers have been mobilized and relocated for economic construction.

Fourthly, as a response to the deadlock in Hanoi, economic autarky and self-rehabilitation are being emphasized for the sake of surviving prolonged economic sanctions. In his speech in April 2018, Kim announced that he would no longer demand lifting, or even easing of sanctions. Instead, he has demanded a leading role and increased responsibility from the military group in meeting the deadlines of existing economic construction projects.

Lastly, Kim Jong-un has adopted more active "summit diplomacy," engaging in three inter-Korean summits, two US-NK summits, three Sino-NK summits as well as a visit to Russia's Head of State. This is a substantial increase

of international travel in comparison to his predecessor. Kim Jong-un seems to stand strong to his view that only summits can produce tangible outcomes that involve North Korea's commitment to denuclearization.

While these five factors of change provide judgment into how Kim Jong-un is steering his country, they do not serve as supporting evidence to how the denuclearization process will pan out. Nevertheless, one participant added that while the pessimistic scenario presented earlier in the session should not be ruled out, it is also important to pay attention to North Korea's intention in developing a new national strategy as it can provide insight into shaping specific terms for future denuclearization talks.

Furthermore, an India participant added that the United States should re-think its traditional tactics, strategy, and approach to the North Korean nuclear issue precisely because the nature of North Korea's economy has changed. While North Korea does not officially recognize market institutionalization, it does have a pseudo-market in place. Experts have estimated that nearly 80% of the average household's income originates from market activities. Such qualitative change has changed the dynamics of negotiations between the United States and North Korea, perhaps even contributing to Kim's decision to come out to diplomacy. A Korean speaker argued however, that US' current conservative administration as well as congress are still encaptivated by outdated concepts, and thus does have political room to consider this factor into its strategic calculations. Many participants agreed on his view that the window of opportunity is closing rapidly, and that 2019-2020 will be the make-or-break period for the Korean Peninsula.

Session 4 **Encashing the Human Capital: Bolstering Education, Culture and People to People Ties**

The fourth session examined the current status of Korea-India bilateral human capital exchange. Speakers from both sides repeatedly noted that reciprocal perceptions by the Korean and Indian public have been, and continue to be poorly one-dimensional. The Korean public for example, sees India simply as an emerging market perhaps with potentials of becoming the post-China destinations. Similarly, the Indian view of Korea is also limited economic relations and interests.

A difference in work culture was raised as another example that hindered more profound people-to-people ties. Even with the immensely increased amount of investment coming in from Korea to India, frictions continue to arise in the business sector; Korea's work culture emphasizes professionalism and discipline, while India more values intrinsic worth and originality. One Indian participant pointed out that Korea at times view India as a land of contradictions—outwardly “westernized,” but traditional in thinking, and strong in the IT industry, but equipped with weak infrastructure. Many participants agreed to the opinion that a better mutual understanding of each other's history and culture should be the fundamental base for effective human exchange.

With this backdrop, participants put forward many areas that required more efforts from the private and governmental sectors of both countries. The first area is academic exchange. A Korean participant argued that first of all, the current Korean high education system both quantitatively and qualitatively lacks departments dedicated to Indian studies. On the other hand, an Indian speaker pointed out that India's demand for learning the Korean language is surging, the reasons being the public increasing interest in Korea's rapid economic development, K-entertainment (K-pop, K-dramas) and the North Korean nuclear issue. Moreover, as Korean firms were among the first to enter the Indian market upon its market opening, the sudden increase in job opportunities resulted in more institutions (some even governmental) that teach the Korean language. The speaker insisted that for better quality cultural and business exchange, the Korean government should also put more resources in promoting Hindi and Indian language studies. Joint research projects and more student exchange programs (post-graduate students, in particular) were called for in the academic exchanges.

Meanwhile, participants from both the Korean and Indian delegation agreed that Korea's film industry has little chance to succeed in India, due to Bollywood's large presence and distinguished traditional narrative. However, one Indian participant suggested that benchmarking Disney's strategy—providing subtitles in fourteen languages used in India—may help in multiplying Korea's cultural impact in India. He added that while this requires little financial burden, Disney experienced nearly 500% increase in revenue in the Indian market. Moreover, it was advised that both Korea and India should utilize online facilities as a major component of their culture centers. An Indian speaker claimed that in New Delhi in particular, 99% of potential visitors do not bother to visit culture centers due to immense traffic. He brought up the United States' successful example of installing online facilities as to compensate for such loss.

Lastly, promoting tourism was mentioned as one of the most immediate ways to augment people to people ties. In particular, it was identified as an effective tool for reducing the trade gap. However, technical problems were raised as an issue needing improvement. While Korea-bound business trips from India are increasing on a yearly basis, the visa issuance process seems to remain slow and complicated. The Korean government needs to widen their perspective on facilitating inbound business trips. Many Indian participants agreed that India's implementation of e-visas led to a surge of international travel. In addition, one participant argued that journalists and foreign correspondents tend not to travel to countries that involve complicated visa issues. He advised that because domestic newspapers will fill in one story per period in their international section, simplifying the visa process will lead to increased coverage.

The significance of stereotypes as well as the adverse impact of stereotyping each other was continuously emphasized in this session. Participants sent strong support for increasing reciprocal flow to deal with breaking down such stereotypes. The opportunity for trade on the back of people to people contact was also briefly touched upon. Participants agreed that using such soft elements can be a sustainable means to increasing trade, as the feedback loop from more trade will further result in more people to people contact.

Session 5

Blueprints of a New Architecture: Opportunities and Obstacles in Navigating the Emergence of the Indo-Pacific

The fifth session focused on opportunities and obstacles in navigating the emergence of the Indo-Pacific. While the Indo-Pacific is one of the most popularly branded-around expressions in geopolitics today, a consensus on its precise definition seems to be absent. Similarly, while India treats the Indo-Pacific an important part of its foreign policy direction, it has also deliberately kept the concept open to interpretation, as it hopes for more to endorse this idea. Nevertheless, the underlying intention of term is that the Indo-Pacific cannot be separated as two regions and rather should be treated as an overlapping strategic place.

The fact that India is strategically an island insinuates the importance of the Indo-Pacific concept. Whether due to politics or terrain, most of India's borders are not useful for trade or transportation. As a result, a large proportion of India's trade and transportation occur via seas. Threats to the security of India including drugs and human trafficking, and pirating also originate massively from the sea; the most serious terrorism attack in Mumbai came from maritime borders. Hence, India's first and foremost objective in the Indo-Pacific is protecting economic and security interests.

One Indian participant emphasized that ensuring that the Indo-Pacific does not become a region of hegemony for any other power is another critical interest of India. China, in particular, shares a long border with India. China has also been engaging in silent nuclear cooperation with Pakistan. The Sino-Pakistan economic corridor under the "One Road One Belt" initiative runs through Kashmir, which is currently under Pakistan's rule, and China has been known to support its campaigns against India. This corridor has far more sinister strategic implications in India's point of view, as it may simultaneously function as a corridor for transportation and surveillance. Similarly, Chinese navy and air force on the west coast of India is a concern. The "Maritime Silk Road" consists of various ports that lead countries indebted to China. India views this as an encompassing Chinese strategic presence even extending to the islands in the South China Sea. This is the type of hegemony that India seeks to counter.

And because drawing China into a tight web of relations and institutions is imperative to preventing it from exercising hegemony and thus creating a balance of power in this region, India considers Korea a valuable potential partner in realizing this security architecture. Specifically, India and Korea can work together towards "positive hedging," a tactic that signals China to temper its behavior while insinuating that India and Korea do not have aggressive intent. While the United States' objective is preventing China from challenging its global supremacy, India and Korea merely want China to comply by global standards and rules.

Meanwhile, a Korean speaker identified that the Korean conception of this strategic space is highly centered in Northeast Asia. Even before the Trump administration started mentioning the Indo-Pacific Strategy in its foreign affairs policies, the Moon Jae-in government's regional strategic vision reflected Korea's geopolitical position as

a peninsula, and sought to search for bridging roles amid intensifying confrontation between the maritime and continent powers. However, the Moon administration's initial reaction to the United States' Indo-Pacific Strategy was mostly of skepticism and caution due to previous frictions with China concerning THAAD deployment. However, the Korean government has gradually accommodated to the Indo-Pacific initiative as the US started to put greater emphasis on non-military dimensions. Henceforward, Korea and the United States have focused on development cooperation as well as peace building efforts in the region. The ROK-US factsheet on "working together to promote cooperation between New Southern Policy and the Indo-Pacific Strategy" (released in November, 2019) represents such shifted focus.

Nevertheless, some issues remain contending within the Korean government, of which the first is the Strategy's security implications on Korea. As of today, Korea's choice between the US and China seems to be not to choose. Moreover, the US' intention to readjust the security architecture in the Indo-Pacific implies larger, on-demand regional roles for the ROK-US alliance.

In the meantime, the Indo-Pacific carries optimistic outlooks in terms of the Korea-India economic partnership—infrastructure and trade dimensions, in particular. Its four-pronged strategy comprises of "funding, mobilizing private capital, cooperation among financiers, and emphasis on high transparency standard." Such an emphasis on sustainability and robust global standards sharply contrasts to China's low standard financing schemes for the "Belt and Road Initiative." Korea continues to face more risks due to its excessive trade dependency on China. As a result, Korea must reach out to India and ASEAN countries more aggressively than ever, which is also dictated by the current administrations "New Southbound Policy." In this regard, the Indo-Pacific vision can provide good grounds for discussing economic cooperation in addition to security talks.

The Korean speaker continued to point out that despite CEPA, the economic partnership in terms of trade volume and bilateral FDI remains stagnant. Here, he added that Korea's J-nomics "New Southern Policy" and India's Modinomics "Act East" have potential to create a win-win outcome as India and Korea share a rare relationship in Asia—one without historical or territorial disputes. The two countries also share a high moral standard of non-aggression. J-nomics is making a significant shift from big business and export-based high growth model to an SME-based, pro-labor distributional policy and domestic market development for more equitable growth. Modinomics is also shifting from import substitution to a liberal trade-oriented high growth regime via "Make India," "Digital India," and "Clean India." In sum, Korea is increasingly inward-looking, while India outward-looking, leading two countries for mutual learning.

Hence, many participants agreed to the suggestion the regular summit and high-level meetings must be first held to upgrade the CEPA. A systematic promotion of FDI and aftercare services for both countries' SMEs as well as

specific collaboration in defense and bio industries fueled by big data also received much support. Large scale infrastructure projects were also highlighted, as a Korean participant argued that Korea and India should cooperate with each other in concrete projects such as high speed railways and modern port centric processions zones along the Indo-Pacific connectivity route. The session ended with hopeful remarks from both sides regarding an early conclusion of an India-inclusive RCEP. A Korean participant advised that while the initiative may face domestic resistance due to sensitive sectors such as agriculture and labor intensive manufacturing, opening up the market will ultimately induce national competitiveness, specifically in the manufacturing sector.

Session 6 **Surveying and Surviving a Storm: India and Korea's
Economic Landscape in the Global Economic Slowdown**

Finally, the sixth session discussed India and Korea's economic landscape in the global economic slowdown. It was first pointed out that in India's case the global economic slowdown is not the only factor behind domestic slowdown. One Indian participant advised that India's economic slowdown should not be viewed solely via the prism of the global slowdown. Rather, stakeholders must pause to understand three fundamental factors: stagnant domestic investment, underperforming private consumption, and low technological capacity of the Indian industry. Domestic investment, whether involving governmental sectors or the private sector, has remained in the 30-31% GDP range for the past few years. Private consumption is static at 55-56% of GDP, and the capacity of the Indian industry is generally around only 75%. The problem however, seems to lie on the demand side, rather than the investment side; therefore consumption must be tackled first, as stimulated consumption will naturally fuel more investment. As of now, inbound FDI seems to be an effective way to get investment into India. The Indian government has recognized the problem, and has released the tax rate to 30% (17% for emerging companies). While long-term effects are expected, this measure will not show immediate progress in investments. Participants agreed that hence, immediate demand side measures are required for India to climb out of its current slowdown.

One possible solution is RCEP. While India's political establishment has a desire to join the architecture, last minute muddling has resulted in India not being included. An Indian participant argued that this pass is crucial in the case India has serious considerations for the RCEP, as joining it at a later stage (if possible) may bring more disadvantages than benefits to India's trade and industries.

Another, more feasible solution involves upgrading the CEPA with Korea. While Korea has abolished tariffs to zero on 93% of their goods to India, India has only abolished 75% of tradable goods. One participant argued that there seems to be a political explanation to these discrepancies; India is more inward looking, and showing protectionist tendencies. This can be overcome by viewing bilateral trade not in isolation, but by linking it with investment, as investment-led economic cooperation will face the least resistance in a country where trade deficits are a significant political issue. Collaborating with Korea's infrastructure companies to create mechanisms for strengthening India's projects was raised as another area of cooperation.

Korea's economic slowdown on the other side was argued to be suffering due to the "New Normal." The multilateralism-based liberal international rule that Korea has actively participated in is now shifting to the other extreme, as the world witnesses the rise of geopolitics and geo-economics, and the old firewall between security and economics is gone. A Korean participant argued that such a phenomenon is different from mercantilism. While mercantilism has also been prevalent, he continued, major economic powers have exercised leadership to prevent it. Korea has recently suffered from Beijing's shadow retaliation for the deployment of THAAD missiles. This is the typical example of geo-political economics—using economic leverage to achieve domestic politics purpose. The

United States as well is currently pressuring Korea to make significant revisions to the KORUS FTA; it is estimated that Korea will ultimately need to make concessions in the automobile sections. What is surprising is that the US is also using national security as justification for imposing or hiking tariffs.

This causes a challenge for Korea's attempt to initiate an innovation-driven economy. And due to the ongoing (likely prolonged) competition between Washington and Beijing, many experts agree that the new normal will become "the normal." Internal risks such as acute income polarization and labor market disruption (some due to demographic challenges) also linger. Macro-economic indicators are pessimistic as well. One Korean participant asserted that in order to maintain the innovative growth engine, the current administration's focus on income-led growth should shift to creating a pro-business environment that encourages facility investment and entrepreneurship. Moreover, SMEs need to be further brought forth to the competitive frontier, and existing FTAs need upgrades.

While Korea's per capita income has recently reached \$US 30,000, inclusive growth has now become a daunting challenge. Mitigating income polarization and penetrating welfare to all layers of society are of importance for the economy's sustainability. In this regard, participants from both sides agreed that Korea and India should share ideas and experience in balancing out the pro-growth and pro-distribution regime.

4. 참석자 명단 List of Participants

INDIAN PARTICIPANTS

Naushad Forbes	Co- Chairman, Forbes Marshall & Chairman, Ananta Aspen Centre; Co-Chair, India-Korea Strategic Dialogue
Seema Arora	Deputy Director General, Confederation of Indian Industry
Ashok K Bhattacharya	Editorial Director, Business Standard
Dipanjnan Roy Chaudhury	Senior Assistant Editor, The Economic Times
Pramit Pal Chaudhuri	Foreign Editor, Hindustan Times and Distinguished Fellow & Head Strategic Affairs, Ananta Aspen Centre
Sanjeev Chopra	Senior Research Fellow, Centre for Contemporary China Studies
Jayant D Patil	Whole-time Director and Senior Executive Vice President, L&T's Defence Business & L&T-NxT
Vishnu Prakash	Former Ambassador of India to South Korea
Rajat Kathuria	Director & Chief Executive, Indian Council for Research on International Economic Relations
Nagma M Mallick	Joint Secretary, Policy Planning and Research Division, Ministry of External Affairs, Government of India
P S Raghavan	Chairman, National Security Advisory Board and Former Ambassador of India to Russia
Vyjayanti Raghavan	Professor, Centre for Korean Studies, School of Language, Literature and Culture Studies, Jawaharlal Nehru University
Harshit Sehgal	Senior Director, Ananta Aspen Centre
Ajay Shankar	Former Secretary, Dept of Industrial Policy and Promotion, Ministry of Commerce and Industry; Former Member Secretary of the National Manufacturing Competitiveness Council (NMCC) & Distinguished Fellow, The Energy & Resource Institute (TERI)

KOREAN PARTICIPANTS

AHN Choong Yong	Co-Chair, Korea-India Strategic Dialogue; Distinguished Professor, Chung-Ang University; former Chairman, Korea Commission for Corporate Partnership
CHAE Wook	Honorary Distinguished Professor, Graduate School of Pan-Pacific International Studies, Kyung Hee University; former President, Korea Institute for International Economic Policy
CHO Choongjae	Senior Director General, Research Planning & Coordination Dept., Korea Institute of International Economic Policy
CHOI Byung-il	Professor, Ewha Womans University; former President, Korea Economic Research Institute
CHOI Yoo-Mi	Executive Assistant, The Seoul Forum for International Affairs
HAN Seo Eun	Assistant Director, Global Networking Department, The Korea Foundation
KIM Euiyoung	Professor, Political Science and International Relations, Seoul National University
LEE Kwang-cheol	Director, Global Networking Department, The Korea Foundation
LEE Kwangsu	Professor, Department of Indian Studies, Busan University of Foreign Studies
LEE Woosung	CEO, Research Institute of International STI Strategy (RISTI)
MA Sang-Yoon	Professor, International Relations, Catholic University
PARK Bong Kwon	Editor, Maeil Business Newspaper
SHIN Bongkil	Ambassador of the Republic of Korea to India
SOHN Gyu Won	Research Fellow, The Seoul Forum for International Affairs
SUNG Ki-Young	Senior Research Fellow, Institute for National Security Strategy
SURH Sung-yol	Auditor-General, The Korea Foundation
YOON Young-kwan	Professor Emeritus, Seoul National University; former Minister of Foreign Affairs and Trade

5. 프로그램

Program

DAY 1: 8TH NOVEMBER

09:15 - 09:30 am	<p><i>(Long Champ, Floor R)</i></p> <p>Arrival of Delegates Tea/ Coffee</p>
09:30 - 10:30 am	<p><i>(Long Champ, Floor R)</i></p> <p>Inaugural Session Welcome Remarks by Co-Chairs Naushad Forbes, Co-Chairman, Forbes Marshall and Chairman, Ananta Aspen Centre Ahn Choong Yong, Distinguished Professor, Chung-Ang University/ former Chairman, Korea Commission for Corporate Partnership</p> <p>Opening Remarks Surh Sung-yol, Auditor-General, The Korea Foundation/ former Ambassador to the Republic of Cote D'Ivoire</p> <p>Congratulatory Remarks Shin Bongkil, Ambassador of the Republic of Korea to India</p> <p>Address Vijay Thakur Singh, Secretary (East), Ministry of External Affairs, Government of India</p>
10:30 - 11:45 am	<p><i>(Long Champ, Floor R)</i></p> <p>Session 1 New Leaf or Old Waters? Socio-Political Developments in India and Korea</p> <p>Keywords Election results & approval ratings of the new Indian government; major political & social agenda; populism; diplomatic emphasis; Act East/Look East after 5 years; socio-political trends</p> <p>Moderator Yoon Young-kwan, Professor Emeritus, Seoul National University/ former Minister of Foreign Affairs and Trade</p> <p>Indian Speaker Pramit Pal Chaudhuri, Foreign Editor, Hindustan Times and Distinguished Fellow & Head Strategic Affairs, Ananta Aspen Centre</p>

	<p>Korean Speaker</p> <p>Kim Euiyoung, Professor, Political Science and International Relations, Seoul National University</p>
11:45 - 12:00 pm	<p><i>(Villa Medici, Floor R)</i></p> <p>Tea/ Coffee Break</p>
12:00 - 1:15 pm	<p><i>(Long Champ, Floor R)</i></p> <p>Session 2</p> <p>Industry 4.0: Re-examining Patterns and Propelling Innovation</p> <p>Keywords</p> <p>Innovation; Future of Work; Automation & Artificial Intelligence; SME Capacity Building; Investment in Startups, Venture Startup Environment, Scope for Cooperation, Policy guidelines for the 4th industrial revolution</p> <p>Moderator</p> <p>Ajay Shankar, Former Secretary, Dept of Industrial Policy and Promotion, Ministry of Commerce and Industry; Former Member Secretary of the National Manufacturing Competitiveness Council (NMCC) & Distinguished Fellow, The Energy & Resource Institute (TERI)</p> <p>Indian Speaker</p> <p>Jayant D Patil, Whole-time Director and Senior Executive Vice President, L&T's Defence Business & L&T-NxT</p> <p>Korean Speaker</p> <p>Lee Woosung, CEO, Research Institute of International STI Strategy</p>
01:30 - 3:00 pm	<p><i>(Villa Medici, Floor R)</i></p> <p>Lunch</p> <p>Chair</p> <p>Naushad Forbes, Co- Chairman, Forbes Marshall and Chairman, Ananta Aspen Centre; Co-Chair, India-Korea Strategic Dialogue</p> <p>Address</p> <p>Suresh Prabhu, Prime Minister's Sherpa to the G7 and the G20 Summits, Government of India</p>

3:15 - 4:30 pm

(Long Champ, Floor R)

Session 3

Conversations, Concessions & Compliance: The Way Forward for The Korean Peninsula

Keywords

Nuclear Deal; Denuclearization; Impact on domestic politics;
Role of the US; Role of South Korea, Economic Sanctions;
Rhetoric and Reality of US-DPRK Dialogue

Moderator

Vyjayanti Raghavan, Professor, Centre for Korean Studies, School of Language,
Literature and Culture Studies, Jawaharlal Nehru University

Indian Speaker

Vishnu Prakash, Former Ambassador of India to South Korea

Korean Speakers

Yoon Young-kwan, Professor Emeritus, Seoul National University/
former Minister of Foreign Affairs and Trade

Sung Ki-Young, Senior Research Fellow, Institute for National Security Strategy

4:30 - 4:45 pm

(Villa Medici, Floor R)

Tea/ Coffee Break

4:45 - 6:00 pm

(Long Champ, Floor R)

Session 4

Encashing the Human Capital: Bolstering Education, Culture and People to People Ties

Keywords

Film & Entertainment Industry; Music; Education; Tourism & Hospitality;
Research; People to people ties

Moderator

Rajat Kathuria, Director & Chief Executive, Indian Council for Research on
International Economic Relations

Indian Speaker

Vyjayanti Raghavan, Professor, Centre for Korean Studies, School of Language,
Literature and Culture Studies, Jawaharlal Nehru University

Korean Speaker

Lee Kwangsu, Professor, Department of Indian Studies,
Busan University of Foreign Studies

(Aftab Mehtab, Lower Lobby)

6:15 - 7:00 pm

Reception

(Aftab Mehtab, Lower Lobby)

7:00 - 9:00 pm

Dinner

DAY 2: 9TH NOVEMBER

(Long Champ, Floor R)

9:15 - 10:30 am

Session 5

**Blueprints of a New Architecture: Opportunities and Obstacles in
Navigating the Emergence of the Indo-Pacific**

Keywords

Maritime security & connectivity; Emerging Coalitions; Positive economic vision;
Autonomous economic concerns of the Indo-Pacific countries; Global positions;
Defence & strategy; Trilateral cooperation possibilities;
New Momentum for Bilateral Economic and Security Collaborations

Moderator

Pramit Pal Chaudhuri, Foreign Editor, Hindustan Times and
Distinguished Fellow & Head Strategic Affairs, Ananta Aspen Centre

Indian Speaker

P S Raghavan, Chairman, National Security Advisory Board,
Government of India and Former Ambassador of India to Russia

Korean Speakers

Ahn Choong Yong, Distinguished Professor, Chung-Ang University /
former Chairman, Korea Commission for Corporate Partnership
Ma Sang-Yoon, Professor of International Relations, Catholic University

10:30 - 10:45 am	<p><i>(Long Champ, Floor R)</i></p> <p>Tea/ Coffee Break</p>
10:45 - 12:00 Noon	<p><i>(Long Champ, Floor R)</i></p> <p>Session 6</p> <p>Surveying and Surviving a Storm: India and Korea's Economic Landscape in the Global Economic Slowdown</p> <p>Keywords</p> <p>Domestic Macroeconomic trends; Exports; India-Korea CEPA; RCEP progress; Reactions of EU vs ASEAN economies; US-China tariff war; Global trade; Disinflation; Sectoral impact - Steel, Manufacturing, ICT etc.; 5G as a flashpoint; Practical ways of capitalizing on synergy between act east and new southern policies; What is hindering SME investment in India?</p> <p>Moderator</p> <p>Naushad Forbes, Co- Chairman, Forbes Marshall and Chairman, Ananta Aspen Centre; Co-Chair, India-Korea Strategic Dialogue</p> <p>Indian Speaker</p> <p>Ashok K Bhattacharya, Editorial Director, Business Standard</p> <p>Korean Speaker</p> <p>Choi Byung-il, Professor and former Dean of Graduate School of International Studies, Ewha Womans University</p>
12:00 - 12:30 pm	<p><i>(Long Champ, Floor R)</i></p> <p>Concluding Session and Signing of the Joint Statement</p> <p>Moderated by Co-Chairs</p> <p>Naushad Forbes, Co-Chairman, Forbes Marshall and Chairman, Ananta Aspen Centre</p> <p>Ahn Choong Yong, Distinguished Professor, Chung-Ang University/ former Chairman, Korea Commission for Corporate Partnership</p>
12:30 - 2:00 pm	<p><i>(Long Champ, Floor R)</i></p> <p>Lunch</p>
2:00 - 6:30 pm	<p>Site Visit to the HQ of JBM Group (for the Korean Delegation)</p>





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