The Foreign Relations of Iran and South Korea: Separation of Economy and Politics

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Abstract

Iran is the third largest market for Korean products in the Middle East, playing an important role in procuring the country's energy. Despite relatively long history of their trade relations, the two countries have adopted a foreign policy of separation of politics from economy. The main question of this study is, therefore, to realize the most important elements impacting the two countries’ approach towards each other. Through comparative-analysis method, this research examines important factors impacting and being employed in the foreign policy model of the two countries, and sheds light on the political, economic and geopolitical settings conducive to foreign policies of the two countries. The results of the present study indicate that there are various factors that impact the decisions and equations related to foreign policies pursued by these two countries, including the presence and influence of the US in East Asia, conflicts with North Korea, China’s increased political and economic relations with Iran, Iran’s foreign policy after the Islamic revolution, and South Korea’s relations with Arab countries.

Keywords: foreign policy, economic relations, Iran, South Korea, geostrategy.

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Introduction

Iran is the third largest market for South Korea’s products in the Middle East, securing the 26th place in terms of South Korea’s exports in 2014. Iran is also an important trade partner and provider of South Korea’s energy. Considering the fact that 30% to 40% of the products exported from South Korea to the United Arab Emirates are not consumed in the latter but re-exported to Iran, it is expected that Iran becomes the largest export market for South Korea in the Middle East, especially after full lift of sanctions (Hong and Lee, 2015). Although Iran and South Korea attach high importance to their trade, energy, and economy relations, the foreign policies of the two countries hinge upon keeping the separation of politics from economy and upon taking neutral stances. Now the question is: ‘What factors cause the foreign policies of the two countries to proceed on the separation of politics from economy?’ Hood (1994) has identified four important variables related to political changes as follow: first, the new line of thought highly influences policies through experimental evidences, logic or palpable power. Second, the interests of powers change the policies in their own favour. Third, when environmental changes thwart the current policies, they can lead to revisions in such policies. Fourth, the previous policies and institutions can lead to their own destruction and an internal destruction of policies. When talking about why and how foreign policies are developed and implemented, among these four variables, “political, economic and geopolitical environments” are paid special attention to. The current research aims at examining the impact of the
separation of politics from economy in the foreign policies adopted by Iran and South Korea; it also attempts to examine how peripheral driving forces such as politics, economy, and political geography influence the development and structure of foreign policy by Iran and South Korea vis-à-vis each other. The study takes into consideration economic–political variable influencing the foreign policies as well. The research method is comparative-analysis. Moreover, in order to find the relation between politics, geopolitics and economic variables and foreign policy, a two-way comparison between Iran and South Korea has been conducted. In the first part, the limitations and drives involved in the foreign policies of Iran and South Korea have been analysed. In the second part, the factors impacting the foreign policies of these countries are presented. In the third part, the economic interaction between the two countries has been discussed.

I. South Korea’s Foreign Relations with Iran

The influence of the United States: The hegemonic system directed by the United States has been very important in the formation of regional political economy in South Korea (Cumings, 1987:44). In its attempt to control the Soviet Union and Chinese Communism during the Cold War, the US utilised the appropriate environment of East Asia as a special base for its urgent economic, military and geostrategic development (Stubbs, 1999:337). At the time, if the East Asian countries had not been able to quickly revive their ailing economies, they would have face collapse. In addition, the ground would have been better paved for the influence of communism in the region (Gadzey, 1994). As a result, the economy of countries such as Japan and South Korea dramatically and quickly thrived under the auspices of the US aids and military presence. For example, multinational companies in these countries became the main partners of the US and obtained an influence in international organisations (Benjamin, 1982). The superiority of the American hegemonic power accompanied by management of the geostrategic situation in the
The Foreign Relations of Iran and South Korea: Separation of Economy and Politics

region, including the containment of communism, paved the way for the establishment of a new foreign strategic environment, whereupon the US influence in terms of economy and military was dramatically strengthened. During the cold war, South Korea’s close military alliance with the US and its sustainable economic growth considerably helped the US retain its power against the communist rival and created a strong ally for the US in East Asia. Therefore, the South Korean foreign policy was mostly inclined towards America’s strategic interests and limiting the communist rivals, hence forming close economic ties with the US and its allies. Furthermore, significant global incidences such as the 1979 Iranian Islamic Revolution, end of the Cold War, and China’s high economic growth rate exerted a considerable effect on the US regional interests and redirected US policies from harnessing communism into energy security in the Middle East and prevention of the advancement of regional powers such as Iran. These changes, which are a product of the geopolitical environment, have also influenced Seoul’s foreign policy towards Iran. For instance, Seoul was forced to join international economic sanctions imposed by the US and Western countries against Tehran; as a result, South Korea has been under constant pressure from America to implement sanctions imposed by the UN Security Council against Iran. Despite Iran’s warning that it might ban importation of Korean products, South Korea issued a list of sanctions against Iran including 126 companies and real persons in 2010 (The New York Times, 2010). Moreover, when the UN Security Council adopted a resolution against Iran in 2010 due to its nuclear programme, South Korea abided by that, hence banning the activities of an Iranian bank named Bank Mellat in Seoul in September of the same year (The Korea Times, 2016). It should be noted that South Korea’s the foreign policies have always changed in accordance with the United States’ the strategic interests. Therefore, South Korea has regulated its foreign policy and close economic relations with other countries in
accordance with the US strategies, especially those concerning security issues related to North Korea as well as military and political issues of the Middle East.

**Confrontation with North Korea:** North Korea has long been considered as an effective factor in South Korea’s foreign policy and security. The constant dangers and threats posed by Pyongyang have always affected Seoul’s foreign and security policies, especially those related to the Middle East and relations with allies (Levkowitz, 2013). After the victory of the Islamic Revolution in Iran in 1979, Pyongyang and Tehran have had much cooperation. North Korea’s support for the Islamic Republic of Iran dates back to the 1980s when Iran–Iraq war began and Pyongyang provided Tehran with weapons and ammunitions (Walsh, 2015). Relatively long ties between Iran and North Korea indicates the common interests of the two countries and, to a great extent, their similar stances against America. As the provider of missile technology for Iran since the outbreak of war between Iran and Iraq in 1980, North Korea has always relied on Iran to obtain a great bulk of its foreign exchange. The cooperation and continued relationship between the two countries — with Iran providing North Korea the cash it needed in return for missile parts and technology — grew into an effective partnership. Presently, the two countries not only are seeking the development of their ballistic missiles but also they have a common enemy. During his trip to Iran in 2011, North Korea’s vice foreign minister, Park-Kil Yeon, said that the two counties are in the same fortress fighting against the arrogant powers (Afkarnews, 2011). Moreover, in 2012 Iran’s Supreme leader Ayatollah Ali Khamenei said in his meeting with the President of the Presidium of the Supreme People’s Assembly, Kim Yong-nam, that the two nations have common enemies (Khamenei News, 2012). Currently, both countries are under economic sanctions imposed by the US and western countries due to their nuclear programmes. Nonetheless, in July 2015, after a decade of complicated negotiations, the Islamic Republic of Iran managed to clinch a deal with the P5+1
The Foreign Relations of Iran and South Korea: Separation of Economy and Politics

According to which it restricted its nuclear programme in return for lifting of many international sanctions. This agreement will soon allow the country to begin trading its oil and gas products under the “Joint Comprehensive plan of Action” (Tuason, 2015). Due to the US hostility, Iran and North Korea adopted similar political and military stances, which usually brought about concerns in US allies. These activities, and sometimes unofficial comments, are considered an obstacle in South Korea’s foreign policy towards Iran.

China’s emerging power in Iran: Since the establishment of diplomatic relations between China and South Korea in 1992, the countries’ economic relations have well improved. China has now become one of the greatest trade partners of South Korea, hence trade with China has turned into an important leverage in the economic policies of Korea. Also, Beijing’s close relations and high influence in Pyongyang have led to increased importance and influence of China on the foreign and security policies of Seoul in Asia. Currently, the influence of China on South Korea’s Middle East policies is relatively less significant compared with other important factors; however, at the end of the day, it will increase due to the rise of competition in procuring its energy from the Middle East and China’s heightened diplomatic and strategic role in the region (Choi Lim, and Park, 2015:3). China’s rapid economic growth during the last couple of decades has led to rising demand for energy resources, especially crude oil. China is well aware of its own strategic vulnerability in terms of energy, particularly if potential pressures from America are applied; therefore, the country has taken necessary measures to expand its close relations with oil exporting countries at the Persian Gulf. Energy security is one of the most important principles and factors pertaining to China’s interests in the Persian Gulf region. It should be noted that Iran possesses the second largest proved oil and gas reservoirs in the world. Also, compared to other
oil producers in the region, Iran tries to control and manage its energy resources. On the other hand, there remains some practical shortcomings on the part of western companies in Iran’s energy fields due to the economic sanctions exerted by the US and other Western countries. Therefore, these conditions have provided a unique opportunity for Chinese companies’ partnership with Iran in this arena. The geopolitical situation of Iran and China as well as their special needs, abilities and limitations have encouraged the two countries to carry out further and closer cooperation in recent years, especially on energy.

In fact, Iran and China also bear some similarities in their foreign policies. For example, both have a similar perception of sovereignty, which is different from that perceived by the Americans and liberals. The sovereignty assumed by Iran and China is absolute, inviolable and independent, allowing no interference by other powers. Contrary to this approach, in the international community, sovereignty is perceived to be based on human rights and a liberal reading, which is an important priority for the United States. On the other hand, Iran’s military interactions with China began in early 1980 during the Iran–Iraq war. The growing cooperation between the Iran and China in military arenas can be explained through two factors. First, Iran has always been facing serious military restrictions in terms of its weapons industry and military sector; second, since Iran is situated in a sensitive, strategic region with an unstable security, it has to strengthen its military and defence capabilities (Shariatnia, 2011:57). Meanwhile, South Korea’s foreign policy is firmly connected with that of the US in various arenas including military ones, hence South Korea has tried to follow the US in terms of its policies towards Iran and make decisions based on the US strategic interests in the Middle East. Furthermore, South Korea is highly competing against the increase of China’s political and economic power in Iran; therefore, if South Korea adopts inefficient policies in a way that would make Iran to perceive that it is following the US
policies or is playing a negative role as a political and military ally of the US, then such an approach could not only lead to increased Chinese influence in the Middle East and Iran in various political, military and economic areas, but it also could undermine South Korea’s political and economic status in the region and Iran, compromising its economic interests in Iran. In such a situation, the best solution for South Korea’s foreign policy towards Iran is to adopt a neutral, impartial stance towards this country. This neutral stance can also serve as a shield against the US regional pressures and the rising influence of China in the Middle East.

II. Iran’s Foreign Relations with South Korea

**Iran’s foreign policy after 1979 Revolution:** Seizure of the United States’ embassy in Iran in 4 November 1979, followed by 444 days of hostage-taking, became a challenge in the revolutionary and idealist foreign policy of Iran. Iran’s foreign policy after 1979 Revolution has had interactions with its domestic policies which contained ideological elements. In their first encounter, the Islam introduced by Ayatollah Khomeini was in conflict with the liberal interpretation of Islam provided by Bazargan, and that of Bani-Sadr’s, and ultimately the eclectic version presented by Rajavi. Based on the historic principle of balance, Bazargan’s non-commitment policy was a nationalist one seeking Iran’s independence and sovereignty within the existing international system. This international system, of course, was not acceptable by the idealist revolutionaries. These positions usually emanated from Imam Khomeini’s idealist and transnational speeches about “Islamic Global Order”. Difference in ideological thoughts and viewpoints are usually embodied in foreign policies. Bani-Sadr, Mosaddegh, Bazargan, Sanjabi, and Yazdi were all politicians who treaded the ‘Mosaddegh path’, while idealists followed the ‘path of Imam Khomeini’. As the Revolution proceeded, two major issues became important in Iran’s foreign policy. First, Iran’s relations with
East and West; second, the expansion and exportation of Iran’s Islamic Revolution. The foundation of the implementation and management of Iran’s foreign policy includes the following: 1) refusing to be dependent on the East or the West; 2) considering the US as the archenemy of the Islamic Revolution; 3) fighting against superpowers and the Zionist regime; 4) close relations with all oppressed nations, especially the Islamic countries; 5) emancipation of Quds and opposing the State of Israel; 6) fighting against imperialism; and 7) supporting the exploited and colonialized peoples (Ramezani, 2013). On the other hand, South Korea is considered an old ally of the West. The alliance between South Korea and the US plays a restricting role in Iran’s foreign policy towards South Korea because Iran tries to stay independence from the West, considering the US and its hostile policies a threat and archenemy for its interests.

Iran’s new foreign policy, which took shape after the 1979 Revolution, brought about a new model of foreign relations with South Korea. Of course, in its relations with South Korea, Iran has avoided ideological elements such as anti-American thoughts, hence it has sought extension of trade relations based on expediency and national interests.

**South Korea’s relations with Arab States:** South Korea’s industrialisation process was facilitated during the 1970s due to the country’s bilateral economic ties with Persian Gulf Cooperation Council (PGCC) member states. During the two great oil shocks, South Korea managed to resolve its economic problems through dollars obtained from the PGCC countries in return for exportation of goods, completion of projects, constructions and skilled workers in the Middle East (Lee, 2014). Moreover, the PGCC countries have close ties with the US; accordingly, their cooperation with South Korea has usually been close, consistent and lasting. For instance, a project for construction and development of four nuclear reactors is currently under way in the United Arab Emirates since a $20 billion contract was signed between the UAE and South Korea in 2012.
The Foreign Relations of Iran and South Korea: Separation of Economy and Politics

(World Nuclear Association, 2015). The latter has usually supported Sunni Arab leaders of the Persian Gulf region. For example, South Korea voted positively to the US Security Council Resolution banning exportation of weaponry to pro-Iran Huthi militants in Yemen in 2015. As South Korea is a long-time ally of the US and maintains American “democratic values”, it has tried to actively contribute to international peacekeeping operations and effectively develop and maintain it (Braude, 2015). South Korea first made a military intervention in the Middle East during the first Persian Gulf War under the US pressures. Seoul dispatched 341 soldiers to this region, which of course did not get involved in the forefront but rather participated in the logistics and transportations during the operation for emancipating Kuwait from Iraqi occupation (Levkowitz, 2013).

Furthermore, upon Washington’s request, 3500 South Korean soldiers were sent to Iraq in 2004. Moreover, during the Israel–Lebanon conflict in 2006, South Korean peacekeeping forces were dispatched to Lebanon (Levkowitz, 2010:1). On the other hand, as the British military presence in the Persian Gulf came to an end, the protection of the region was appointed to the US, with the transfer of power causing great tensions between Iran and its Arab neighbours in the Persian Gulf region. The US deployed its forces in the region, hence presently it has 13000 ground forces in Kuwait, 3250 naval forces in Bahrain, 8000 personnel and an airbase in Qatar, 5000 air force personnel in the UAE, three airbases in Oman, and 350 military personnel in Saudi Arabia. The US invasion of Iraq in 2003 brought about considerable internal violence in this country, hence changing the strategic relation between Iraq and Iran, turning the former into one of the closest international allies of Tehran. Along with the rapid developments in the region, the rivalries and conflicts also ran high. For example, with the support of certain Arab countries such as Saudi Arabia and Qatar, armed terrorist groups made a lot of efforts in order to topple the elected governments in Syria and Iraq.
Consequently, regional skirmishes have risen between the Persian Gulf Cooperation Council countries (especially Saudi Arabia) and Iran (Kinninmont, 2015). Despite deep hostilities between Iran and certain Arab countries, South Korea has not only continued its trade cooperation with these countries but is also increasingly present in Arab regions based on a specific agenda. In recent years, South Korea has, to some extent, distanced itself from its traditional restrictions in terms of its commercial foreign policy in the Middle East, especially in Arab countries, instead shifting into political and military arenas. The type of the country’s foreign policy in the regional Arab countries indicates that it is seeking long-term goals in order to reach a medium status of power in the world and the Middle East; this would likely exert grave consequences on Iran’s foreign policy towards South Korea in various arenas, including political and military ones.

III. Economic Interactions

South Korea’s exportations to Iran rose constantly from $1.38b in 2010 to $4.16b in 2014. South Korea possessed 8% of Iran’s importation market in 2014; it was also the third exporter to Iran after China (23.4%) and United Arab Emirates (22.1%). On average, South Korea’s imports from Iran has grown from $2.39b to $4.58b, with an annual average growth rate of 4.7%. While South Korea’s imports from Iran had reached $11.36b in 2011, it hit a low of 40% of previous years’ trade volume due to a reduction in the import of oil crude, imposition of sanctions, and global slump in oil prices. The main products exported by South Korea to Iran include automobile and spare parts, resin, steel plates, digital and imaging equipment, as well as home appliances such as television sets, refrigerators, and freezers. The main product imported by South Korea from Iran is crude oil, constituting 98% of all imports. Exportation of 10 products from South Korea to Iran formed about 63% of the total exports in 2014, where the exportation of steel plates (35%), automotive spare parts (92.8%) and wireless communication equipment (73.2%)
increased. Therefore, it is expected that, after final resolution of Iran’s nuclear dossier and complete lifting of international sanctions, the market in various areas such as automotive spare parts, construction, information technology, and consumables will expand in Iran (Hong and Lee, 2015). The following figures show South Korea’s volume of trade with the Middle Eastern countries (Figures 1 to 4).

Figure 1: 10 Main Middle Eastern Countries Importing from South Korea

Source: Korea International Trade Association (www.kita.net).
Figure 2: Annual Trade between Iran and South Korea

Unit: Billion USD

Source: Korea International Trade Association (www.kita.net).

Figure 3: 10 Main Items Exported from South Korea to Iran in 2014

Unit: Million USD

Source: Korea International Trade Association (www.kita.net).
As explained above, the principal item imported by South Korea from Iran is crude oil, constituting 98.3% of total imports. Other imports include liquefied natural gas or LNG (0.9%), zinc products (0.3%), other metals and minerals (0.1%), resin (0.1%), crustaceans (0.1%), jellyfish (0.1%), etc. Out of 50 countries that were targets of South Korea’s exportations in 2014, seven countries were Middle Eastern, constituting 4.7% of total trade of this country. South Korea is the third greatest exporting country to Iran; this has improved from the fourth in 2009 to the third in 2014. Iran’s imports from China tripled in 2014 compared to that in 2009. In fact, China was the greatest country exporting products to Iran in 2014 (Korea International Trade Association, 2014). Figure 5 below shows the amount of exports from South Korea to the Middle East countries in 2014. In addition, Figure 6 indicates Iran’s imports from other countries in 2014.
Figure 5: South Korea's Exports to the Middle Eastern Countries in 2014

Source: Korea International Trade Association (www.kita.net).

Figure 6: Iran's Imports from other Countries in 2014.

Source: Korea International Trade Association (www.kita.net).
The trend in development of Iran’s construction market: Iran intends to invest $500 billion in its oil and gas sector until 2025. Also, Iran’s growth rate in construction sector is expected to reach 3.4% on average for five years from 2016. Furthermore, lifting of economic sanctions against Iran, the rise of oil exportation, direct foreign investment, as well as release of Iran’s frozen assets abroad and transfer thereof to the country can lead to considerable investments in various fields, especially oil and gas, hence developing and advancing its infrastructures (Seo, 2015). Table 1 shows Iran’s construction and its annual trend.

Table 1: Iran’s Construction and its Annual Trend (Unit: Billion Dollars).

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>65.9</td>
<td>88.7</td>
<td>106.5</td>
<td>128.3</td>
<td>154.4</td>
</tr>
</tbody>
</table>

Source: International Contractors Association of Korea (http://kor.icak.or.kr/). Before the sanctions, Iran was the sixth largest construction market for South Korea. Construction and development contracts in Iran have been considerably profitable for South Korea, earning $12b from 1975 to 2010, when the latter joined economic sanctions against Iran. Of course, Iran’s new orders were suspended after the global sanctions because since 2010 even South Korea joined the countries applying economic sanctions against Iran (Seo, 2015). The history of Iran’s contracts in construction and development of South Pars oil fields has been presented in Table 2 below.

Table 2: History of Iran’s Contracts in Construction and Development of South Pars Oil Fields (Unit: Million Dollars).

<table>
<thead>
<tr>
<th>Company</th>
<th>Ordering organisation</th>
<th>Contract value</th>
<th>Start date</th>
<th>Termination date</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS E &amp; C</td>
<td>Iranian state-run oil company</td>
<td>936</td>
<td>2003/01/01</td>
<td>2012/01/23</td>
</tr>
<tr>
<td></td>
<td>Pars Oil &amp; Gas Corporation</td>
<td>1393</td>
<td>2009/11/15</td>
<td>2013/05/14</td>
</tr>
<tr>
<td>Daelim Industry</td>
<td>Petropars</td>
<td>348</td>
<td>2003/06/01</td>
<td>2007/07/31</td>
</tr>
<tr>
<td></td>
<td>PetroPars</td>
<td>612</td>
<td>2009/12/01</td>
<td>2013/03/31</td>
</tr>
<tr>
<td>Hyundai Construction</td>
<td>Total South Pars</td>
<td>1015</td>
<td>1999/03/30</td>
<td>2002/06/30</td>
</tr>
<tr>
<td></td>
<td>Agipiran Pars</td>
<td>1623</td>
<td>2002/03/01</td>
<td>2005/02/28</td>
</tr>
<tr>
<td>Hyundai Heavy Industry</td>
<td>Total South Pars</td>
<td>105</td>
<td>1999/07/29</td>
<td>2001/04/30</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>6034</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: International Contractors Association of Korea (http://kor.icak.or.kr/).
Considering the fact that Iran — with a population of 80 million and a growing demand for automotive industry, information technology, and consumables — is the largest producer of industrial products in the Middle East, one can say that its potential economic growth and purchase power will rise after successfully clinching the nuclear deal. Iran stands eighth in the world in terms of automotive industry, being the largest automotive producer in the Middle East. Since the technology of manufacturing automobiles in Iran is mainly based on assembling instead of manufacturing of all parts, there is a constantly growing trend of importing spare parts, steel plates, and modern relevant technologies. Moreover, the importation of consumables and essential goods, which witnessed severe shortages during the economic sanctions, will rise, too. Moreover, the completion of oil and gas projects, construction of railroads, ports, and power plants in Iran, which had been halted due to sanctions, will be resumed. Therefore, Iran enjoys the required potential for absorbing South Korea’s technology, and it is progressing towards the same goal, being second after China. It should, of course, be noted that South Korea’s dependence on exports to China reached 25.4% in 2014, a figure is most likely to decrease in the future, because China’s current economic growth has been less than that of the previous years. Hence, South Korea seriously needs to find various export partners in order to reduce its export dependence on China, so Iran can be considered a golden opportunity for Korea in this regard. Iran may be mentioned as a new, growing market for South Korea’s products (Ko, 2015). Plenty of opportunities and benefits expected to be made in Iran can serve as appropriate incentives for South Korea to expand its cordial trade relations with this country. In fact, these economic factors and benefits may boost the previously poor foreign relations between Seoul and Tehran.

**Trade or economic relations?** International trade includes importation and exportation of goods and services between countries. These exchanges have various aspects, such as national interests,
economic security and military security. During the cold war, international trade took place under the supervision of the US hegemony. Because of enjoying a strong domestic market, the US utilised access and trade with its own market as a bargaining chip in negotiations with other countries. Furthermore, imposing sanctions was another leverage used by powerful states in their foreign policies (Balaam and Veseth, 2005). According to neorealism in international relations, countries consider trade cooperation in order to reach two important political objectives: domestic supply (converting the trade benefits into military power), and foreign policy influence. Meanwhile, small countries try to sympathise and take the side of a hegemonic power to obtain economic growth and fit under the security umbrella of the hegemon (World Trade Report, 2007:92). For example, the US, as a dominant power, formed the security and trade structure as well as the order of the North Eastern Asia region. As for South Korea, the United States immediately embarked on reconstructing its infrastructures and strengthening it against palpable Communist threats, hence establishing its own hegemony in Asia.

To serve its interests and goals in East Asia, the US facilitated and expedited the development of South Korea, providing much aid in restoring and renovating its economic power against the Communist side (Park, 1997). Being under the security umbrella of the United States and having access to the country’s domestic market, South Korea became one of the greatest beneficiaries among international entities during the Cold War (Lee and Moon, 2009:39). It should be noted that active international economic relations are not only important for the economic growth of the countries but also important in terms of strategic political goals. In order to establish closer economic ties with other countries, one should take into consideration all political aspects. Therefore, the US has been a significant economic partner for South Korea, the two of them sharing mutual economic interests and political motives. Meanwhile,
trade cooperation between Iran and South Korea has not developed into a type of economic relations with both economic and political aspects, but rather it has remained at a solely economic level for both sides.

The important point here is why the two countries’ trade relations have not been elevated into economic ones. The reason is not lack of political will and goals of Iran and South Korea, but rather their unique needs in terms of their strategic interests: as for South Korea, these include the US presence in East Asia, encountering North Korea, China’s soaring influence and its political–economic relations with Iran; and as for Iran, ideological underpinnings of its foreign policy as defined after the 1979 Revolution as well as South Korea’s relations with Arab countries, plays a restricting role in economic relations between the two countries. This situation has kept the relations at the trade level only, leading the two countries’ foreign policy decisions into separation of politics from economy. The reduction of trade volume between Iran and South Korea during the sanctions imposed on Iran indicates that trade relations between them have been influenced by political goals. However, these political goals do not have the principal elements required for establishing economic relations between the two countries, rather they serve as a factor impacting their trade relations and interests. That is why the two sides’ policies revolve around separation of politics from economy while continuing trade relations and gaining material benefits. Separation politics from economy is, in fact, a deviation from the political goals of the two countries that are incompatible, while with regard to trade interests, the two countries seek relation with each other.

Conclusion
In this article, certain political, economic, and geopolitical elements were dealt with in order to examine the foreign relations between Iran and South Korea and to consider the characteristics of separation of
politics from economy in their relations. Various factors that bring about limitations in foreign policy decisions in the two countries were discussed, including the US presence in East Asia, encounters with North Korea, and the rise of China’s influence and its interactions with Iran in terms of politics and economy. Also, Iran’s foreign policy after its Islamic Revolution and South Korea’s relations with Arab countries were discussed.

The US strategic interests — influenced by significant developments in the world, such as Iran’s 1979 Revolution, end of the Cold War, and China’s huge economic growth rate — have shifted from containing the expansion of Communism in East Asia to energy security in the Middle East and restricting Iran’s regional influence. Following these new approaches, those countries sympathising with the US, such as South Korea, have redefined and implemented their foreign policies based on the US strategic interests. On the other hand, North Korea and Iran have certain political and military commonalities. Their relation has become a negative factor in the South Korea’s foreign policy towards Iran, leading to the former’s reluctance in establishing amicable political relations with the latter. Furthermore, the rise of China’s political and economic power in Iran can influence the economic interests of South Korea in Iran. From Iran’s point of view, closer relations with China can reduce a negative political potential and the threat of foreign military attacks against this country while, at the same time, diminish the US power and geostrategic interests in the Middle East.

Other important factors involved in Iran’s foreign policy towards South Korea is the foreign policies adopted after the Islamic Revolution in Iran as well as South Korea’s ties with Arab countries. Iran’s foreign policy after this Revolution includes important ideological elements such as the type of Islam introduced by Ayatollah Khomeini. It should be noted that the deep alliance of South Korea and the US is contrary to the worldview held by
Ayatollah Khomeini because he had denounced the existing international system while emphasising actions against the expansion of imperialism. Therefore, these influential factors — that is, Iran’s new foreign policy after the 1979 Revolution and South Korea’s relations with Arab States — have exerted negative impacts on Iran’s foreign policy towards South Korea, reducing it into trade relations. In fact, both countries have sought separation of politics from economy. The above-mentioned factors have limited the relations between the two countries to trade relations, separating them from political and military ties. Drawing on the interactions between politics, political geography and economic geography, the present article shows different foreign policy models in Iran and South Korea. In case the two countries do not find common political and geopolitical interests but only common trade interests, then they will establish limited preliminary relations which will not be easily elevated to close economic relations.

Meanwhile, in order to establish broader relations with Iran, the South Korean President Park Geun-hye, heading a delegation of 236 companies, made an unprecedented visit to Iran in the spring of 2016, opening a new chapter in Tehran-Seoul relations and creating good opportunities for economic exchanges between the two countries. Although boosting expected cooperation during the post-sanctions era would probably revive trade relations between the two countries, restricting the relations to trade and long-term expansion thereof does not seem to be an appropriate policy. It should be noted that, compared to the last decades, the world is scuttling more quickly towards globalisation, and that the bipolar era of superpowers such as the US and the USSR (before its collapse) is a thing of the past. In addition, the international community tries to play a more decisive and independent role in international domains and events. Compared with the previous eras, countries are now pursuing more prominent, more influential and mutual roles. This has brought about a new international milieu. Even though the two countries are
geographically far away from each other (e.g., two regions of East Asia and the Middle East), the current transformed political–strategic situation can exert considerable impacts not only on their economies but also on their political and security approaches. Another point to be borne in mind is how and till when South Korea and Iran will be able to continue their relations based on separation of politics from economy in the new international environment. Till when will trade interests marginalise the political elements in the Tehran–Seoul foreign policies? How will the two sides move and will be geared towards putting economy on top of their foreign policy agenda? Considering the fact that political, economic, military, and security issues cannot be completely separated from each other, the two countries’ foreign policies require a more detailed revision under the new strategic environment.
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44

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