Globalization and the Ties that Bind: Korea and the Gulf

The Asan Institute for Policy Studies & Middle East Institute, National University of Singapore

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# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>06</td>
</tr>
<tr>
<td><strong>Keynote Address</strong></td>
<td>10</td>
</tr>
<tr>
<td>Kwon Hee-seog, Director General, African and Middle Eastern Affairs Bureau, Ministry of Foreign Affairs of the Republic of Korea</td>
<td></td>
</tr>
<tr>
<td><strong>Difficult Times for the Arab World</strong></td>
<td>13</td>
</tr>
<tr>
<td>Peter Sluglett, Director, Middle East Institute, National University of Singapore</td>
<td></td>
</tr>
<tr>
<td><strong>Better Reciprocity with Higher State Capacity in Korea and the Gulf</strong></td>
<td>24</td>
</tr>
<tr>
<td>Jang Ji-Hyang, Director, Middle East and North Africa Program, The Asan Institute for Policy Studies</td>
<td></td>
</tr>
<tr>
<td><strong>The Islamic Finance Crescent: From Southwest to East Asia</strong></td>
<td>31</td>
</tr>
<tr>
<td>Clement Henry, Visiting Research Professor, Middle East Institute, National University of Singapore</td>
<td></td>
</tr>
<tr>
<td><strong>Islam and Its Challenges in Contemporary Korea</strong></td>
<td>40</td>
</tr>
<tr>
<td>Park Hyondo, Humanities Korea Research Professor, Institute of Middle Eastern Affairs, Myongji University</td>
<td></td>
</tr>
<tr>
<td><strong>Migrants from Asia and the Production of “Globalised Cities”</strong></td>
<td>51</td>
</tr>
<tr>
<td>Veronika Deffner, Visiting Senior Research Fellow, Middle East Institute, National University of Singapore</td>
<td></td>
</tr>
<tr>
<td><strong>Globalisation and Digital Culture:</strong></td>
<td>68</td>
</tr>
<tr>
<td>Connecting the Gulf and South Korea</td>
<td></td>
</tr>
<tr>
<td>Nele Lenze, Research Fellow and Editor, Middle East Institute, National University of Singapore</td>
<td></td>
</tr>
<tr>
<td><strong>Biographies</strong></td>
<td>81</td>
</tr>
</tbody>
</table>
Introduction

On May 14-15, 2015, the Middle East and North Africa Program at the Asan Institute for Policy Studies co-hosted a workshop with the Middle East Institute at the National University of Singapore, titled “Globalization and the Ties that Bind: Korea and the Gulf.” The workshop, co-sponsored by the Ministry of Foreign Affairs of the Republic of Korea, covered the diverse political, religious, security, social, and economic linkages between Korea and the Gulf. This Asan Report features six updated contributions from the workshop.

During the opening session, Mr. Kwon Hee-seog, Director General of the African and Middle Eastern Affairs Bureau at the Ministry of Foreign Affairs, delivered opening remarks in which he noted the growing importance of the Gulf to Korea for several reasons. First, the Gulf states are playing a key role in preserving the region’s stability, including in the fight against terrorist groups such as ISIL, from which Korea is no longer immune. Second, Gulf states are not only key suppliers of oil and gas, but are also an important destination for Korean exports. Third, Gulf states are important long-term partners for Korea as evidenced by growing people-to-people and cultural exchanges. In discussing President Park Geun-hye’s recent four-nation tour of the Gulf, Mr. Kwon noted that the trip had succeeded in reaffirming not only the energy relationship but also diversified it into new areas such as health, information technology, cyber security, finance, and nuclear energy. Most importantly, Mr. Kwon concluded that the trip has increased Korean interest in the region as whole.

Session one, titled “Politics: GCC Integration, Political Reforms, Governance,” discussed the ongoing political turmoil in the region on the one hand, and efforts to strengthen and develop state capacity in the Gulf on the other. Dr. Peter Sluglett, Director of the NUS Middle East Institute, provided an overview of how the 2011 Arab revolutions have stalled and how factors such as poverty, inequality, sectarianism, lack of accountability, and repression pre-date the uprisings. Dr. Jang Ji-Hyang, Director of the Middle East and North Africa Program at the Asan Institute for Policy Studies, next spoke on the “First Middle East Boom” in the 1970s and its lessons for the Gulf. Dr. Jang suggested that a public service committed to meritocracy and strong state backing were crucial to Korea’s economic development and that the Gulf could pursue a similar development strategy.

Session two, titled “Religion: Islam in Korea and the Gulf,” examined the influence of religious movements in political discourse. Dr. Zoltan Pall, a Post-Doctoral Fellow at the NUS Middle East Institute, examined the evolution of Salafist movements in the Gulf, especially in Kuwait. Dr. Pall elaborated on the views of different Salafist groups vis-à-vis state power and political activism. Next, Prof. Park Hyondo, HK Research Professor at the Institute for Middle Eastern Affairs at Myongji University, spoke on the evolution of Islam in Korea and the different groups that exist within the Korean Muslim community. Prof. Park detailed the growing importance of Muslim migrant communities and the role that ethnic Ko-
rean Muslims are playing in facilitating inter-faith dialogue with Korea’s Christian and Buddhist communities.

Session three, titled “Security: Failed States, Terrorism, and Sanctions,” explored state fragmentation in Iraq as well as North Korea’s destabilizing activities in the Gulf. Dr. Fanar Haddad, a Post-Doctoral Fellow at the NUS Middle East Institute, spoke on the deteriorating security situation in Iraq driven by a state failure and sectarian tensions which have given rise to radical extremist groups such as the so-called Islamic State. Dr. Go Myong-Hyun, a Research Fellow at the Asan Institute for Policy Studies, presented the findings of a recent report into North Korea’s use of forced laborers in the Gulf. Dr. Go posited that the North Korean laborers are kept in conditions tantamount to slavery, with their wages confiscated to fund the North Korean regime’s lavish lifestyle and nuclear and missile programs.

Session four, titled “Society: Demographic and Cultural Ties,” examined the influence of Asia in changing cultural norms in the Gulf. Dr. Veronika Deffner, Visiting Senior Research Fellow at the NUS Middle East Institute, spoke on the impact of Asian migrants in Gulf societies. Given that migrant workers far outnumber Gulf nationals, these groups have had a disproportionate impact on the urban spaces in many Gulf cities. Dr. Nele Lenze, Research Fellow and Editor at the NUS Middle East Institute, next discussed the influence of Korean and Asian digital culture in the Gulf. From the popularity of e-sports to fashion trends, Dr. Lenze noted how digital media is increasingly defined by a convergence between the global and local.

Session five, titled “Economy: Trade, Finance, and Energy,” discussed the multifaceted economic relationship between Korea and Gulf. Prof. Clement Henry, Visiting Research Professor at the NUS Middle East Institute, spoke on what he called “the Islamic finance crescent” that connects the Gulf to Southeast and East Asia. Noting the prominent role of Southeast Asian countries in Islamic law compliant financing, Prof. Henry explored the possibility of Korea’s future role in the industry. Finally, Dr. Lee Kwon-Hyung, Head of the Middle East and Africa Team at the Korea Institute for International Economic Policy, examined the future outlook for Korea’s trade relations with the Gulf and attempts to diversify the relationship into new sectors. Dr. Lee detailed opportunities for closer collaboration in public-private partnerships as well as the potential of sovereign wealth funds, commercial banks, and the Islamic Development Bank to provide increased financing for new projects.

*Note: The report uses American or British English according to the authors’ native language.*
The views presented herein are the author’s and do not necessarily reflect those of the Republic of Korea Ministry of Foreign Affairs.

Dr. Jang Ji-Hyang of the Asan Institute for Policy Studies, Dr. Peter Sluglett of the Middle East Institute of National University of Singapore, H.E. Ambassador Yip of Singapore, Ladies and Gentlemen. First of all, I would like to express my deep appreciation to the Asan Institute for organizing this important gathering and to all of you for being present here today. It is truly meaningful to convene this workshop on “Korea and the Gulf” today. Only a few years ago, most Koreans did not think of the Gulf states as close to us as today. Even if we considered the Gulf States as important, it was just as oil-producing countries.

Still, due to the fact that more than 90% of Korea’s energy imports come from the Middle East, the Gulf states remain important for my country. However, there are some other reasons why we should pay a keen interest to these countries today.

First, the Gulf states are playing a key role in the uncertain, unstable Middle East. As we know, no country or region is insulated from the turbulent waves from the Middle East. For example, ISIL poses a new, grave threat to the international security, and Korea is no exception to this scourge. Last December, a Korean youth was missing in Turkey and he was suspected of joining ISIL. The Iranian nuclear issue remains one of the most significant international security challenges, and it has broad implications for the North Korean question. The Gulf States could have positive impacts on these affairs.

Second, the Gulf states are not just oil and gas suppliers for Korea, but also destinations for Korea’s high value-added products and services. The Gulf States, that once regarded Korea as a poor country in need of help, now look at Korea with fresh eyes, and there is a great demand for Korean technologies, systems, and products in those countries. Considering that this demand continues to be a source of stimulus for Korea’s stagnant economy, we can easily realize the Gulf States’ growing economic importance for Korea.

Third, the Gulf States are our partners on the path toward the future. Heart-to-heart diplomacy vis-à-vis the Gulf is important as a way to reinforce economic partnership and political cooperation. The better you know someone, the deeper your friendship can be. People-to-people and cultural exchanges are the glue that binds us. For the next generation, educational exchanges foster better understanding. We want to build bridges with the Gulf to link the minds and hearts of our peoples—not only in the present, but into the future. In this regard, President Park Geun-hye’s visit to the four Gulf states last March was of great significance. The Korean government achieved the desired results and reaped real benefits for Korea and its people. The Korean government not only secured tangible results in the traditional areas of cooperation, including energy and infrastructure but also expanded and diversified bilateral cooperation with the Middle Eastern countries into the areas of high added value and new growth engines such as health, nuclear energy, cyber security, ICT, and finance, etc.
Difficult Times for the Arab World

In addition, the Korean government strengthened its cooperation with the Gulf states on regional and global issues and secured their support for Korea’s major foreign policies.

However, the more important thing than those benefits was that the visit aroused Koreans’ interest in the Gulf. And I imagine that this workshop also comes from the growing interest in the region. The workshop encompasses almost all aspects of the Gulf: Politics, Religion, Security, Society, and Economy. It is highly hoped that the workshop will help us to gain more knowledge and wider perspectives of the Gulf states.

“Rafiq (partner)” and “Akh (brother)”, the two words that became popular following the President’s visit to the Gulf states resonate the close and friendly relationship being forged between Korea and these countries. It is necessary to learn much and understand each other to become real friends. I am confident that your vibrant and poignant discussions today will provide a better understanding of the Gulf.

Thank you.

The title of my talk today is “Difficult Times for the Arab World”, and, as you can imagine, much of what I have to say is pretty gloomy. I wish it were not the case, but it is better to try to paint and interpret the facts as they are rather than as one would like them to be. I will of course talk about the Arab spring, or perhaps more accurately, the mostly failed Arab revolutions, but the main problems besetting the region go back far longer than the past few years. These are, in no particular order, poverty, which is linked to low productivity and unemployment, sectarianism, lack of accountability and repression, and the Arab-Israeli conflict, which has blighted the region for so many years.

I don’t think I can deal with all these, but let me take the first, poverty, inequality, and repression. There are, to put it simply, parts of the Arab world that are very rich, and parts that are extremely poor. GDP per capita in Yemen in 2013 was $1,473, just below Laos ($1,660). On the same scale, Egypt, although not right at the bottom, had a GDP per capita of $3,314. Just for interest, Oman was $21,920 Singapore $55,182, and Qatar $99,500. Obviously, all these figures conceal greater inequalities, because they are averages, or expressions of the middle point, so there are huge numbers of people in Egypt and Yemen who earn less than $3,314 and $1,473, respectively. Furthermore, there is evidence from the World Bank that poverty is rising in both Egypt and Yemen—11 per cent of
Egyptians lived below the poverty line in 2000, while the most recent figure is 18 per cent. Of course, there are several clear reasons for poverty in Yemen, including very low levels of economic development and fighting between various factions that has lasted for many years. In Egypt there are all sorts of questions that need to be asked, perhaps one of the main ones being, given that Egypt and Israel signed a peace treaty in 1980, why does Egypt need an army of 450,000, and why does that army control about one third of the national economy?

Waste, corruption, inefficiency, and cronyism (giving big contracts to friends and relatives with no safeguards to see that the contracts are carried out) are some of the main problems in countries like Egypt, Libya, Syria and Yemen. In Syria, for example, a major contract for cell phones for the whole country was given to the President’s cousin, Rami Makhlouf. One can cite numerous examples of this throughout the region. Egypt has recently announced plans to build a new $30 billion capital east of Cairo. But in Egypt, even the best urban plans have tended to go awry. Egypt has a history of building unfinished towns in the desert, the product of a decades-old belief that satellite developments will curb overcrowding in its main cities. One Cairo-based planner says:

It’s just a bunch of crazy figures. The scale is huge, and there are questions like: how are you going to do the infrastructure? How are you going to get the water? How will they move all these ministries? In other words, I think it’s just desperation. It will be interesting to see if anything comes of it, but I rather doubt it.1

And of course the potential for corruption is enormous. What Egypt needs is massive investment in jobs, in agriculture, in heavy and hi-tech industry, and so

on. It also needs a fairer tax structure and at least an attempt to level down its sharp inequalities. None of these problems have been seriously tackled either in Egypt or Tunisia since 2011. In almost all Arab countries, but I’m thinking particularly of Egypt, Iraq, Libya, Syria, Tunisia, there was a kind of social compact between the regime and the people in the 1970s and 1980s, which implicitly said, “OK, we are military dictatorships, but we will offer you, our people, subsidised housing, education, food and health as far as we can.”

This worked after a fashion until about 1990, when a combination of low oil prices (since the early 1980s) and what was called the ‘Washington Consensus’, of neoliberal economics, prevailed in the world of international finance and development. Although I can’t obviously go into this in detail, the poor lost their social safety net: a report from Cairo around the time of the ouster of President Mubarak showed that the price of tomatoes, a staple food item for the poor, had gone up five times in the previous few months. Food subsidies, which have almost disappeared, were one of the pillars of the social compact that I just mentioned. My friend James Gelvin of UCLA has aptly said: ‘Since neo-liberal policies sparked widespread anger throughout the region, further neo-liberal policies are unlikely to defuse it.’2 Almost nothing has been done to alleviate the social problems that brought so many millions of Arabs into the streets in the beginning of 2011.

Let me also talk a little bit about sectarianism, ta’ifiyya. Violent manifestations of intra-Muslim sectarianism, a phenomenon relatively unknown in the twentieth century until the later years of the Lebanese Civil War in the 1980s, have become an almost daily occurrence in the multi-sectarian parts of the Arab world,


normally accompanied by increasingly militant forms of Sunni fundamentalism. Given that most contemporary manifestations of ‘sectarianism’ are forms of ‘anti-Shi’ism’, the two phenomena tend to go hand in hand, and are expressed in militant Sunni fundamentalist movements. At the moment Jabhat al-Nusra and the Islamic State of Iraq and the Levant, known as Da’ish (or Islamic State, as it proclaimed itself in June 2014) seem to be the main exemplars of this tendency in Syria and Iraq.

The rise of anti-Shi’ism in recent times has not produced a mass movement; it is more the result of the activities of relatively small radical Sunni groups, influenced, of course, by what can only be called the Wahhabi da’wa sponsored by Saudi Arabia. It is important to remember that this hostility is not something that is either universal in the Muslim world or stretches back to the distant past—many Sunni and Shi’i communities have coexisted peaceably enough in situations where they have lived alongside each other (for instance in Lebanon before the Iranian revolution, in Pakistan until the late 1980s). Counter-examples can probably be found, but major Sunni/Shi’i conflict has been relatively rare in Islamic history. The wars between the Ottomans and Safavids (roughly 1510-1639) had political and territorial rather than religious roots, and much the same could be said of the war between Iran and Iraq between 1980 and 1988, in which most of the fighting took place between Iranian Shi’i conscripts on one side and Iraqi Shi’i conscripts on the other.

In contrast, in post-2003 Iraq, the ‘Sunni insurgency’ targeted Shi’is, almost entirely because of their presumed links with Iran. The leader of al-Qa’ida in Iraq, Abu Mus’ab al-Zarqawi, wanted to trigger a civil war between the two sects, a tradition that has been carried on by his successors in Iraq and Syria. In addition, al-Zarqawi (and his successors) claim that Shi’is are not real Muslims, meaning that al-Qa’ida’s actions against them are based on religious conviction. So now we have the strange spectacle in Iraq of Shi’i militias aiding the Iraqi Army in trying to dislodge Da’ish militants from Takrit, and eventually from Mosul. So much for that painful topic—let me have a brief look at the Arab spring.

Many of those of us professionally concerned with the Middle East were extremely excited with the advent of the Arab Spring or the Arab revolutions, when everything began in early 2011, with the ouster of President Mubarak in Egypt and Ben Ali in Tunisia. But these exciting events, which we hoped would mark the beginnings of the implementation of social justice, democracy, and better lives for all, seem to have run out of steam, at least for the time being. The revolutions seem either to have evaporated, as in Libya and Yemen, or returned to very much what was there before, as in Egypt, or degenerated into a terrible civil war, as in Syria. Only Tunisia seems to be maintaining some sort of direction and in-

Smoke rises after an U.S.-led air strike in the Syrian town of Kobani, October 8, 2014. Murad Sezer © REUTERS
tegrity of purpose and I know too little of the pressures to which it may or may not be subjected, and/or to which it may or may not succumb, over the coming months. So, given the extraordinary excitement and hope, and above all the massive popular participation, generated by these events, what are the underlying causes of this relative inactivity? And what has happened to the enormous initial enthusiasm for change?

In the relatively recent past, we have seen the fall of the Berlin Wall and the collapse of the political systems in place in Eastern Europe and the Soviet Union in the 1990s. After these events, whatever we may think of the various local manifestations, the post-Berlin Wall trajectory has been clear and generally unidirectional, in much the same way as the collapse of the apartheid regime in South Africa, and the gradual but incremental collapse of the military dictatorships in South America. This has evidently not happened in the countries I have mentioned.

The post-colonial state arrived in our part of the world in the 1950s and 1960s. In general, the post-colonial state can be characterised by its relative autonomy; the state’s weak institutional underpinning means that it is essentially ‘up for grabs’, floating, in a sense, above society, for seizure by whichever forces are strong enough to capture it. In the Egyptian and Iraqi cases, these were relatively small groups of military officers, with a variety of political affiliations, acting sometimes with, and sometimes without, civilian allies.

With the possible exception of the Egyptian election of 2005, elections to a ‘people’s assembly’ or for the presidency in all three countries were almost entirely rubber-stamping exercises, where the incumbent was guaranteed the overwhelming majority of the ‘votes’. In addition, the shock and scale of the Arab defeat at the hands of Israel in 1967 more or less ensured that the military would continue to run the states, seeking its legitimacy through its claim that the state was the standard bearer of Arab nationalism. Much of the same is or was true of the politics of Libya (where Colonel Mu’ammar Qadhafi seized power in 1969) and (although in a more complicated manner) of Yemen after ‘Ali ‘Abdullah Salih’s seizure of power in 1978.

By the 1970s, most ‘opposition’ political parties had been banned, and their members either exiled, imprisoned, or executed, although Islamist parties and groups continued to exert a strong influence, particularly in Egypt and Jordan, where they had often been surreptitiously encouraged as a counterweight to the left. In Egypt, military officers succeeded other military officers: Sadat took over from Nasser after the latter’s (natural) death in 1970, and Mubarak took over after Sadat’s assassination in 1981. In Iraq, the regime of ‘Abd al-Karim Qasim was overthrown by a coup in February 1963; the successor regime was itself overthrown a few months later, and two coups in 1968 brought Ba‘thist officers to power. Saddam Husayn, who had no military background but relied on Ba‘thists in the military and the intelligence agencies or mukhabarat, elbowed his military predecessor aside in 1979 and stayed in power until 2003. In Syria, after a long period of turbulence during the 1940s, 1950s and 1960s, Hafiz al-Asad, a general in the Syrian Air Force, took over in 1970 and was succeeded by his son Bashar in 2000. In all three countries, the armed forces not only became extremely politicised but also carved out substantial economic enclaves for themselves, particularly in Egypt and Syria.

Recent events have resulted in a remarkable thinning in the ranks of the dictators. Only Bashar al-Asad (b. 1965) and ‘Abd al-‘Aziz Bouteflika (b. 1937) remain in power in the spring of 2014, and there are serious questions about the state of Bouteflika’s health. However, although most of the dictators are gone, I believe that an essential part of the apparatus that sustained them, what we may
call the ‘deep state’, has survived, especially in the bureaucracy, the judiciary, and the military (and here it is as well to remember the military’s very considerable stake in the economy in both Egypt and Syria).

It is not that there had been no attempts to resist the dictatorships in the past, but these attempts were frustrated by the various regimes’ sheer monopoly of military and economic power and the means of coercion. Added to this, the rigorous application of neo-liberal economic doctrines and the chaos unleashed by structural adjustment, starting in the late 1970s but continuing into the 1980s and 1990s, a time of falling oil prices, led to the increasing pauperisation of the less well off and their growing dependence upon the state, which, largely because of its own commitment to privatisation, had ever-decreasing means of assisting them. Also, as is well known, perhaps 60 per cent of the population in most Arab countries is under 25, and the prospect of even the best qualified among them finding a decent job was quite remote. It should also be remembered that much of this region has been engulfed in some sort of armed conflict (or the long-term consequences of it) for many decades: the Iran/Iraq war (1980-88); the Lebanese civil war (1975-91); the Algerian civil war (1991-2002); the invasion of Kuwait in 1990 and the sanctions subsequently imposed on Iraq, and of course the constant overflow of violence or the threat of violence from the conflict between Israel and the Palestinians, not to mention the increasing and polarising sectarian conflicts of recent years.

Of course Iraq was a military/mukhabarat state, as Egypt was and presumably still is, and Syria certainly is. However, the Iraqi state provided privileges for some, as well as basic livelihoods (such as state pensions) and even modest rewards for many others, such as the relatives of those who had fallen at the front, as well, of course, as meting out punishments to deserters and their relatives. In addition, especially in the 1990s, Ba’th party members were promised (and given) rewards or special consideration if they brought new recruits into the party. Iraqi Ba’th party membership more than doubled between 1986 and 2002 from 1.6 to 3.9 million.

What can we conclude from the events that have unfolded in the Middle East and North Africa since early January 2011, and why does the movement for change seem to have ground to a halt? First, the protests that forced the resignations of the presidents of Tunisia and Egypt were of a scale and duration not seen in this region since the events leading up to the Iranian Revolution of 1979. It is not entirely clear how much organisation went into these demonstrations, but is clear that mobile phones and other forms of social media were of vital importance in assembling large numbers of people in particular places at particular times. In spite of the impressive size of the demonstrations, however, the protest movements do not appear to have had any formal leaders, and did not,
for the most part, put forward anything more concrete than their desire to see an end to dictatorship and corruption. As in so many other comparable situations, they all knew what they did not want, but had very little in the way of detailed proposals for ‘the day after’. In Syria the rather smaller but peaceful demonstrations asking for dignity, civil and human rights, and the rule of law, in places like Dar’a or Homs were countered by uncompromisingly savage attacks by the forces of the regime and its militias.

Second, political opposition parties or groups had been banned all over the Arab world in the decades before 2011, with the result that only al-Nahdha in Tunisia and al-Ikhwan al-Muslimin in Egypt had any kind of structure or organisation. Again, as far as I know, neither of these groups had a realistic programme or manifesto, and their lack of experience—hardly their fault, but nevertheless a major drawback—meant that they were utterly unequipped to deal with the huge socio-economic and political problems which they had inherited from their incompetent and corrupt predecessors. Even if Muhammad Mursi had been a gifted economist or economic planner, it would have taken him many years to turn the economy around and create jobs for the unemployed. In addition, when Mursi and the Muslim Brotherhood won the elections in 2012, they seemed to think that their victory (37.2 per cent of the vote in a 62 per cent turn out) represented a winner-take-all scenario which they could exploit to their own advantage rather than trying to reach out to their political ‘opponents’, who had, after all, been as keen to end the former regime as they had themselves. In this way—and particularly in the context of the new constitution that they insisted on rushing through—they gradually alienated themselves from all but their most diehard supporters. By June 2013, there were large demonstrations calling for Mursi’s resignation, and of course he was removed by the Egyptian military in July.

Third, as has I have already mentioned, the economic policies pursued by almost all Middle Eastern states over the past twenty years are largely responsible for the truly shocking levels of poverty, malnutrition and unemployment visible especially in the poorer states, including Egypt and Yemen. Reversing this tendency will not only take a very long time, but will require a complete change from current neo-liberal policies to an economy of subsidies and price controls, at least in the short term. There is not the remotest sign that this is happening or is likely to happen.

Fourth, and this seems most relevant to Egypt but also probably to Syria, there is, as I have noted, evidently a ‘deep state’, the vested interests of highly placed military officers and civil servants, who can survive a change of regime, but who also seem to be in a position to sabotage ‘new’ policies, whether popular or unpopular, which might damage their own interests. The intervention of the military and the outlawing of the Muslim Brotherhood does not, frankly, bode well for the future of democracy in Egypt; one can equally well imagine the military turning on a more liberal and leftist regime if its policies looked like endangering its economic interests. Maybe, one day, Egyptians more politically savvy than members of the Tamarrud movement will take to the streets again. But in some important sense I cannot help feeling, with abiding regret, that the moment has passed, that the dynamic has faded. I sincerely hope I’m wrong.
Better Reciprocity with Higher State Capacity in Korea and the Gulf

Despite the distance between Korea and the Gulf states, the Middle East is important to Korea because more than 85 percent of its energy comes from the region. The Middle East is also important for Korea’s foreign policy vis-à-vis North Korea in the international arena. Korea’s growing international leadership has a significant role to play in contributing to the resolution of crises in the Middle East. For both economic and political reasons, closer cooperation with the Middle East and the Gulf states in particular, is therefore crucial.

There will be better reciprocity between Korea and Gulf if and when the Gulf States are able to develop higher state capacity. This chapter is comprised of four sections. First, it reviews the history of cooperation between Korea and the Gulf. It asks whether it is possible to continue existing reciprocity between the two. Second, it examines the history of the “First Middle East Boom” under the auspices of the “developmental state.” The First Middle East Boom was a critical juncture in Korea’s economic development which laid the foundation for Korea’s economic growth, known as the “Miracle on the Han River.” Third, it discusses the “Second Middle East Boom” currently taking place in terms of Korea-Gulf economic relations. It asks whether the Gulf States are ready for deeper reciprocity with Korea given their need to transition to manufacturing-boosting projects, much as Korea did forty years ago. Finally, it will conclude with an assessment of the feasibility of the developmental state in the Gulf.

1. Korea and the Gulf: Continuing Reciprocity?

Korea and the Gulf states have enjoyed a long history of economic cooperation. But will this reciprocal relationship continue in the post-petro era? Like her father, Korean President Park Geun-hye has claimed that there must be a “Second Middle East Boom” to revive the Korean economy. Her administration has initiated “sales diplomacy” to win major overseas construction contracts for Korean firms, despite the different economic situation Korea faces today.

What does this “Second Middle East Boom” mean for Korea? Due to the continuing fall in oil prices, traditional pillars of the economy such as construction,
shipbuilding, and plant-building face difficulties. This is problematic because these are all sectors which are highly dependent on the price of oil and high Gulf oil revenues. In recent years, this has seen a number of different Korean firms expand their operations in the Gulf, including information communication and technology, medical services, and even food processing.

For the Gulf, there remains the imperative of diversification in the post-petro era. The Second Middle East boom, which was driven by high oil prices since 2010, means Gulf States must diversify their business portfolio and energy resources and go beyond their traditional spending role. They now need to focus domestically to boost their own manufacturing sectors and provide jobs for their people. Given the shale revolution and fall in global oil prices, oil-rich Gulf monarchies must facilitate manufacturing-boosting projects where Korea can be an important partner. There is thus a possibility for sustaining Korea-Gulf cooperation.

2. The First Middle East Boom under the Korean Developmental State

In the 1970s, Korean President Park Chung-hee created the First Middle East Boom by sending construction workers to oil-rich Gulf states and turned the 1970s oil crisis into an opportunity. Large construction projects such as the Al Jubair port in Saudi Arabia which were initiated under President Park provided seed capital and made a major contribution to Korea’s economic growth. This was made possible due to Korea’s political-economic structure at the time: the developmental state.

The developmental state thesis suggests that functioning and capable states are characterized not only by a high degree of bureaucratic capacity and autonomy, but also by a significant degree of cooperation between the state elites and centers of power within society. Korea in the 1970s was an excellent case of a developmental state. For instance, the Korean bureaucracy is based on highly competitive, merit-based, civil service entrance examinations.

The capable Weberian technocrats used informal social ties to extract cooperation from conglomerates, help them obtain credit, protect them from foreign competition, penalize their performance, and harness them to national ends. The Korean developmental state was based on a combined ideology of developmentalism, authoritarian militarism, and anti-communism. In the 1960s and 70s, Korea had a strong competitive mentality driven in opposition to North Korea. After all, until the early-1970s, the North Korean economy remained ahead of the South Korean economy, fueling this fear of falling behind.

3. The Second Middle East Boom under the Gulf Developmental State?

Does the Korean experience offer a model for the Gulf countries to become a development state just like Korea 40 years ago? The Gulf monarchies have substantial autonomy from interest groups in economic policy-making than republican “bunker states” such as Algeria, Libya, Syria, and Yemen. The Gulf states also have a state-created, private sector with organic, solidaristic, and communitarian types of powerful patrimonial networks based on family, tribe, and proximity to the ruling elite. The Gulf states pursue pro-globalization, pro-market policies and possess Anglo-Saxon style structures with competitive, predominantly private, de-concentrated banking system. They implemented significant economic reforms, but mostly to the benefit of existing elites. These attributes provide an important starting point for reducing uncertainty and also buying more loyalty to the regime.

Especially since the 2011 Arab uprisings, Gulf leaders have cautiously pursued proactive, targeted industrial policies for job creation, long-term economic growth.
no such comparable threat exists for the Gulf, though the current Iranian nuclear crisis may be considered an external threat by some.

Finally, major redistribution of wealth under a relatively egalitarian base was a key factor in Korea given the land reforms that took place following decolonization. The removal of the existing land-owning aristocracy created an egalitarian platform from which economic development could take place. But this criteria has mixed results in the Gulf. For instance, in Saudi Arabia, there is no ancien régime or landowning class, but rather thousands of princes and the rest of society. This represents egalitarianism in a negative form, but nonetheless differs considerably from the Korean experience.

Taken together, the data would suggest that the possibility for a developmental state in the Gulf is positive in the short term future. The developmental state is not a long-term scenario; it is a short-term economic project driven under an authoritarian regime. The Gulf developmental state is feasible since it is able to utilize particularistic ties to secure loyalty to the leadership, reduce the uncertainty, and achieve short-term policy goals. As a matter of fact, many state-owned
enterprises in the Gulf have been surprisingly successful in Saudi Arabia, Qatar, Dubai, and UAE as efficient, but state-controlled enterprises.

Conclusion

While this chapter has discussed the positive feasibility of the transition to a developmental state in the Gulf, it is worth keeping in mind that these countries are often classified as fragile states due to their excessively controlled volatility. These are not conducive conditions for economic stability. At the same time, Korea and Taiwan were not embedded enough to recognize that the costs of imposing a policy authoritatively exceed its benefits. Consequently, their authoritarian leaders were ousted by student movements alongside repressed labor unions and supported by capitalists. Ironically, the key lesson of the developmental state is that it risks leading to the downfall of its architects by creating greater economic, and ultimately, political demands from the population. This is something that may lead Gulf leaders to be wary of embarking on the path of the developmental state.

Some Korean members of parliament have reservations about Islamic finance, perhaps due to Christian Evangelic opposition, that this paper seeks to dispel. They prevented legislation in 2011 that would have enabled Koreans to issue sovereign and corporate sukuk, the Arabic term used to describe an Islamic bond. The Bank of Korea nevertheless joined the Islamic Financial Services Board in Kuala Lumpur in 2014 as an associate member, and the Korean Financial Services Commission and Financial Supervisory Service acquired observer status. These signs point to a growing interest in Islamic finance on the part of South Korea’s financial establishment. This chapter will examine the potential commercial utility of Islamic bonds in the context of Korea’s growing trade and investment relationships with the Middle East and more particularly with the drivers of Islamic finance, namely the GCC countries.


The Context of Trade and Investment with the GCC

Obviously the Middle East provides much of the oil and gas needed to power the Korean economy. Oil and gas respectively constituted respectively 41 and 17 per cent of the country’s primary energy consumption in 2012, the rest consisting mainly of environmentally less friendly coal (28%) and nuclear energy (12%). As Figure 1 shows, 86 per cent of the oil came from the GCC, Iran, and Iraq. Natural gas had more diverse origins but also comes essentially from Muslim-majority countries such as Malaysia, Indonesia, and Brunei, as well as Middle Eastern ones, adding up to a total of 87 per cent.

Figure 1. The Muslim Origins of Oil and Gas

Source: Global Trade Atlas, Korea Customs and Trade Development Institutions (Left). U.S. Energy Information Administration, PFC Energy (Right).

To pay for the oil and gas, Korea has developed a remarkable portfolio of exports. Originally they took the form of construction services. The oil boom of the mid-1970s drew Korea’s construction industry into lucrative markets across the Middle East and North Africa. As they became world class, the Korean builders then drove the country’s economic development, and their chaebol conglomerates like Samsung, Hyundai, GS, and SK moved up value ladders into hi-tech goods and services.

Subsequent relationships with the MENA countries, especially the GCC, reflect this ascent into ever more complex and challenging relationships. From building sports stadiums and high rise office buildings in the 1970s they moved into refineries in tandem with the crude oil producers who wanted to consolidate their markets in Asia by building refineries downstream in partnership with the Asian importers. Korea went a step further and, like Singapore, became a world class exporter of refined products. Subsequently the experience in building refineries was imported back to the crude producer countries seeking higher margins for more refined fuel exports.

Now in turn the experienced Korean firms are employing their managerial know-how to plan these complex projects. By 2009, Hyundai Heavy Industries and Daelim Industrial Company were among the top ten world class oil and gas contractors, in the same league as Bechtel and Foster Wheeler. In February 2014, Hyundai Construction, Hyundai Engineering, GS Construction, and SK Construction won a $6 billion contract to build a refinery in Karbala, Iraq. Korean companies have numerous high profile contracts such as a sulphur plant in Jubail, Saudi Arabia, and various gas facilities in the kingdom as well as for a LNG plant in Iran that may see the light of day as sanctions get lifted. Korean firms also partner with Saudi Basic Industries (SABIC) to develop new technologies as well as products.

Beyond the oil and gas industry and petrochemicals Korea also became a major exporter of everything from smart phones to automobiles. A careful look at trade
data also suggests that the Middle East, notably the wealthiest GCC part of it, is viewed as a strategic market for testing new products to be subsequently exported elsewhere. Table 1 examines the available data concerning automobiles, which can be broken down into three categories of small, standard, and luxury on the basis of their engine sizes.

Table 1. Merchandise Trade between GCC and Korea, 2012-2014

<table>
<thead>
<tr>
<th>$1000s</th>
<th>Total GCC imports 2013</th>
<th>2012</th>
<th>2013</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Products</td>
<td>$485,413,146</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Medium-size cars</td>
<td>$14,980,478</td>
<td>20%</td>
<td>21%</td>
<td>10%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>Small</td>
<td>$2,218,311</td>
<td>35%</td>
<td>29%</td>
<td>13%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Large</td>
<td>$18,928,960</td>
<td>4%</td>
<td>3%</td>
<td>23%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Nuclear reactor</td>
<td>$2,653</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: International Trade Center (www.trademap.org) (4% of GCC’s total imports in 2013 came from Korea, ~3% of the latter’s total exports). The GCC in 2013 imported a total of $14.9 billion worth of medium-sized cars, 21% of which came from Korea, ~11% of latter’s total exports in 2013.

Total exports from South Korea to the GCC countries amounted to a little less than 4 per cent of $485 billion, or $17.8 billion in 2013, which hardly offset its total imports from the GCC of $106 billion. The Korean exports to the GCC also

only amounted to about 3 per cent of Korea’s total exports, as Table 1 indicates. But zeroing into the automobile sector, Korea exported between 10 to 13 per cent of its total small and medium sized cars to the GCC and up to 23 per cent of its luxury cars in 2012. It seems that it was sending the latter off first to the GCC markets to try out an affluent market, albeit without much success since they still only constituted 3 to 4 per cent of the GCC imports in this sector dominated by German and Japanese models. The other interesting export, of course, was the beginning of nuclear plant construction in the UAE. As hi-tech exports of services as well as goods knit ever tighter partnerships with GCC actors, financing acquires ever greater salience. And this is where variants of Islamic finance may enter the picture, so as to forge ever closer relationships between the partners.

**Sukuk: Islamic Bond Markets**

Paradoxical as it may appear, Muslim jurists have devised financial instruments that avoid conventional interest, considered by large majorities of contemporary Muslims to be forbidden by divine revelation, yet offer fixed rates of return like conventional bonds. The Central Bank of Bahrain issued the first sovereign sukuk in 2001, quickly followed by an international dollar denominated sukuk issued by a Malaysian plantation company and then in 2002 by another dollar denominated one issued by the Malaysian government. By April 2015, the total value


of sukuk reached almost $305 billion, in a variety of foreign currencies. As Table 2 indicates, Malaysia held the lion’s share, for the most part denominated, however, in Malaysian ringgets rather than US dollars.

While small in volume, key Asian players in Hong Kong, Singapore, and Tokyo have already issued sukuk, and demand seems strong. In 2013, Emirates Airlines issued a sukuk for $1 billion and a conventional bond for $750 million at about the same time, pricing the sukuk yields almost half of one per cent lower than the interest on the bond. While the bond was a relatively hard sell, there were twice as many subscribers as needed for the sukuk, even though it paid less and, in the event of default, bond holders had priority over sukuk holders, who would be treated more like preferred stock holders in the airline.5

Indeed, in the spirit of Islamic finance, the Islamic bondholder is more like a shareholder. As the Islamic Development Bank explains, “Sukuk grants the investor a share of an asset, along with the commensurate cash flows and risk. As such, Sukuk securities adhere to Islamic laws sometimes referred to as Shari’ah principles, which prohibit the charging or payment of interest.”6 The sukuk is a major instrument of “participatory finance,” as secular Tunisians prefer to call it rather than advertise a product that might be confused with “Islamism” or political Islam.

In theory the sukuk, like preferred stock, is a title to ownership of an asset that promises dividends or fixed earnings. But in practice most sukuk are more like conventional bond debt than equity. Although based on the earnings of an asset, they are typically sales or leases (ijara-based) managed by a Special Purpose Vehicle that the bondholder usually does not own and thus does not carry the risks of its changing market value or depreciation. In other words most sukuk, while based on an asset, are not literally backed by a share of the asset like preferred stock. Typically the sukuk will be designed as the revenue derived from leasing the asset, the original agreed value of which is returned to the borrower at the end of the contract.

Table 2. The International Sukuk Market, April 2015

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount (US$m)</th>
<th>Number of Issues</th>
<th>Share of Sukuk Market(%)</th>
<th>Country</th>
<th>Amount (US$m)</th>
<th>Number of Issues</th>
<th>Share of Sukuk Market(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GCC states</td>
<td>31.3</td>
<td></td>
<td></td>
<td>Other*</td>
<td>63.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bahrain</td>
<td>4,438</td>
<td>19</td>
<td></td>
<td>Brunei**</td>
<td>2,669</td>
<td>68</td>
<td></td>
</tr>
<tr>
<td>Kuwait</td>
<td>801</td>
<td>7</td>
<td></td>
<td>Indonesia</td>
<td>18,895</td>
<td>206</td>
<td>6.2</td>
</tr>
<tr>
<td>Oman</td>
<td>129</td>
<td>1</td>
<td></td>
<td>Malaysia</td>
<td>166,906</td>
<td>1609</td>
<td>54.7</td>
</tr>
<tr>
<td>Qatar</td>
<td>13,566</td>
<td>20</td>
<td>4.4</td>
<td>Pakistan</td>
<td>3,641</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>47,469</td>
<td>62</td>
<td>15.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UAE</td>
<td>28,941</td>
<td>54</td>
<td>9.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other MENA</td>
<td>3.9</td>
<td>Rest of Asia</td>
<td></td>
<td>Iran</td>
<td>163</td>
<td>2</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Jordan</td>
<td>45</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Turkey</td>
<td>4,400</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Grand Total</td>
<td>304,887</td>
<td>2171</td>
</tr>
</tbody>
</table>

Source: Sukuk Monitor http://www.zawya.com/sukuk/ (11.04.15); *Other Muslim majority; **AMBD; ***MAS.


Like bonds the sukuk receive ratings from specialized agencies based on the credit worthiness of the company or state that issues them. They are also subject to approval by a religious board, consisting usually of three scholars of Islamic law. Legal opinions may vary concerning the concordance of various type of sukuk with the sharia or Muslim law. Although a scholar once in 2007 questioned the legitimacy of some sukuk, causing a spectacular decline in the number of issues, the sukuk market quickly recovered, and the scholars seem to have reached a working consensus shared across much of the Muslim world.

Indeed, the very composition of the religious boards may assure common standards for sukuk. In some countries such as Malaysia and Indonesia, national boards vet all Islamic financial instruments. In the more freewheeling countries of the Arab Middle East, each bank has its own sharia board, but there is a heavy concentration of scholarly power. As of 31 December 2010 individual scholars had up to 101 positions on bank boards and official regulatory authorities, and the top ten occupied 40 per cent of some 1141 memberships. The elite dominated not only the sukuk market but also international banking. For example the International Islamic Financial Market successfully negotiated with the International Swaps and Derivatives Association to launch an ISDA/IIFM Tahawwut (Hedging) Master Agreement in 2010. An IMF Working Paper noted trade-offs between the convenience of standardization and the potential conflicts of interest, but it also observed that ijara-based sukuk issues were associated with "cumulative abnormal returns" (CAR). In this study of 131 sukuk from eight countries over the period 2006-2013 the ijara-based ones were associated with a rise in the issuing company’s shares of over 5 per cent in the following five days. The writers interpreted the result of investors interpreting the issuing of this sort of sukuk as a sign of the firm’s financial health. Another interpretation by a Japanese scholar may be closer to the mark: it was not so much the firm’s financial health as it was its social responsibility that the issuing of the sukuk signalled. In his words, "In the Sukuk market, many issuers are these types of socially involved businesses, and ethical financing may be seen as an expression of social commitment."

In Malaysia, the focus of the Japanese study and origins of 85 per cent of the sukuk covered by the IMF, the business community was largely Chinese non-Muslim, but there were also many Malay Muslim investors. In other words the use of this Islamic financial instrument may have helped to deepen the economic partnerships between the two communities. It may not be a stretch to argue similar potential effects for Korean companies investing in joint ventures with GCC or other Muslim partners and being financed in turn by wealthy Muslim investors. The Korean conglomerate would not be expecting CAR from trading on a Malaysian stock exchange, but it could expect intangible good will in additional to the commercial benefits of less expensive sources of funds. Good will may be an essential accompaniment of partnerships promoting Korea’s high tech goods and services.

Introduction

The purpose of this chapter is to briefly discuss some challenges that Muslims in Korea face for peaceful co-existence with other religions in contemporary Korean society. It will first explain religious demographics of Korea with a focus on Islam, touch upon the problem of co-existence, and then highlight the three urgent tasks Muslims in Korea must address: a lack of indigenous Muslim intellectuals to write in Korean, aggressive Protestant missionary approach to Islam, and conducting interfaith dialogue with other religions. In the conclusion, the report suggests Muslims in Korea to develop a sense of Islam’s belonging to Korea.

1. Islam and Its Challenges in Contemporary Korea

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Religious Demographics of Korea

According to the 2005 Population and Housing Census conducted by Korea National Statistical Office, slightly more than half of Koreans (53.1%) confess they are religious, and modern Korea is a religiously pluralistic society, often dubbed in Korean as “a department store of religions,” where various religious traditions co-exist, just as a wide range of merchandise is displayed in a big shopping mall. In terms of the number of adherents, however, Buddhism and Christianity are the two most dominant religious traditions, comprising 98.1 percent of those who responded they belonged to a religious tradition.2

Table 1. Religious Demographics of Korea in 2005

<table>
<thead>
<tr>
<th>2005 Total Population: 47,041,434</th>
<th>Number of Followers</th>
<th>Percentage of Total Population (%)</th>
<th>Percentage of Religious Population (%)</th>
<th>Change from 1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Buddhism</td>
<td>10,726,463</td>
<td>22.80</td>
<td>43.0</td>
<td>+405,451</td>
</tr>
<tr>
<td>2 Protestantism</td>
<td>8,616,438</td>
<td>18.30</td>
<td>34.5</td>
<td>-143,898</td>
</tr>
<tr>
<td>3 Catholicism</td>
<td>5,146,147</td>
<td>10.90</td>
<td>20.6</td>
<td>+2,195,417</td>
</tr>
<tr>
<td>4 Won-Buddhism</td>
<td>129,907</td>
<td>0.03</td>
<td>0.5</td>
<td>+43,084</td>
</tr>
<tr>
<td>5 Confucianism</td>
<td>104,575</td>
<td>0.02</td>
<td>0.4</td>
<td>-106,352</td>
</tr>
<tr>
<td>6 Chondogyo</td>
<td>45,835</td>
<td>0.01</td>
<td>0.2</td>
<td>-17,651</td>
</tr>
<tr>
<td>7 Jeungsangyo</td>
<td>34,550</td>
<td>0.01</td>
<td>0.1</td>
<td>n/a</td>
</tr>
<tr>
<td>8 Daejonggyo</td>
<td>3,766</td>
<td>0.00</td>
<td>0.0</td>
<td>-3,837</td>
</tr>
<tr>
<td>9 Other Religions</td>
<td>163,085</td>
<td>0.03</td>
<td>0.7</td>
<td>-7,068</td>
</tr>
<tr>
<td>10 Unknown</td>
<td>205,508</td>
<td>0.04</td>
<td>0.8</td>
<td>+202,937</td>
</tr>
<tr>
<td>Total</td>
<td>24,970,766</td>
<td>53.10</td>
<td>+2,380,000</td>
<td></td>
</tr>
</tbody>
</table>

Source: Based on 2005 Population and Housing Census by Korea National Statistical Office.


Given that Christianity came to Korea 1,400 years later than Buddhism, the popularity of Christianity is so bewilderingly spectacular that Korea is called not the “Land of Morning Calm” but the “Jerusalem of the East.” According to the above-mentioned statistics, Christianity, including both Catholicism (20.6%) and Protestantism (34.5%), has more followers than Buddhism (43%) by 12.1 percent. The growth of Korean Protestantism is all the more impressive and remarkable for it was introduced only in 1884, exactly one hundred years later than Catholicism, which came to Korea in 1784. Even the term Christianity in Korean normally tends to be reserved for referring exclusively to Protestantism: Catholics are called Catholics, and Protestants are called Christians. Critics point out that there are more church-goers than real Christians, but Christianity in Korea is an undeniably influential religious tradition, wielding a great impact on social, political, and cultural affairs in the country.

Although Islam is also undoubtedly one of the world’s greatest religions, its presence in Korea has been, unlike Christianity, very minimal, if not almost invisible. Since 1985, every ten years, the Korean government has counted and revealed the number of people who confess that they are religious, Islam has not been considered as an independent category, but lumped under ‘other religions.’ As a result, we do not know how many Muslims live in the country. The mass media put the number of Muslims living in Korea at the range from 35,000 to 140,000 in estimates, but its true size still remains a matter of speculation. The number comes very inaccurately, for it depends on the statistics obtained at the immigration office. For example, if 100 Indonesians enter Korea, they are all counted as Muslims, since Indonesia is a predominantly Muslim country. As the Korean government does not force foreign nationals to identify their religious identities, it is, indeed, almost impossible to ascertain the number of Muslims in Korea.

Problems of Co-Existence

Throughout the long history of past dynasties in the Korean Peninsula, Koreans interacted with the Muslim world either by land through China or by sea. It is not known with certainty when Islam was introduced into Korea, but it is safe to say that considering Muslims played important roles during the Mongol domination of China and Korea, Muslims seem to have settled down well in Korea from the thirteenth to fourteenth centuries. In the early fifteenth century, however, Muslims in Korea had to face a harsh reality. According to The Annals of the Joseon Dynasty, in April 4, 1427, the Ceremonies Board made a request to King Sejong as follows:

“Since Muslims wear different clothes, people consider them as foreigners and are ashamed of getting married to them. If they are subjects in this Kingdom, they should wear the same as we do. They will not, then, have any problem marrying our people. Your majesty, please abrogate the Islamic religious rituals in the grand morning assembly at the royal court.”

The Annals reports that King Sejong approved all the requests. The fateful year of 1427 literally and figuratively marked the end of the Muslim community in the Korean Peninsula until the Turkish army re-introduced Islam during the Korean War and the first-generation Korean Muslims founded the Korea Islamic Society in 1955.

With Korean construction companies advancing into the Middle East, the number of Korean Muslims reached about 35,000. Most of them converted to Islam in order to acquire work visas in the Middle East, but discontinued to be Muslims once they came back to Korea. Currently, the Korea Muslim Federation represents Islam in Korea. Although the members of the board are all Koreans, the vast majority of Muslims are immigrant workers from Muslim-majority countries like Pakistan, Bangladesh, Indonesia, and so on. There are 15 mosques all across the country.

As ISIL, the self-proclaimed “Islamic State,” has been rampantly and indiscriminately massacring innocent people regardless of their religious affiliation, Islam seems to be one of the most hated religions in the present world. Most Muslims are victimized, for people tend to consider them to be supporters of the cruel ISIL. Even in Korea, Islam seems to be regarded as synonymous with terror and violence. There is an urgent need to seek peaceful coexistence between Muslims and non-Muslims in Korea.

Three Challenges Muslims in Korea Must Address

By and large, Muslims in Korea are exposed to three challenges. First, there is a serious lack of indigenous Muslim intellectuals who can express their words of faith into the Korean language. The Korea Muslim Federation has published many books on Islam, but difficult Arabic words are still waiting to be properly translated, so that non-Muslims understand Islam more easily. Until then, it is extremely futile to expect Koreans to recognize Islam as a part of Korean cultural heritage like Christianity. A case in point is the Korean Catholic Church. Catholics depended heavily on Latin, but since the Second Vatican Council (1962-1965), Korean Catholics have been working hard to accommodate themselves to Korean culture. As a result, Catholicism is well received in modern Korea. Korean Muslims need to learn from Korean Catholics how to take root in the society. It does not mean that they have to give up using Arabic in prayers as Catholics forsook Latin in mass, but that they must attempt to publish books that explain their religion in plain Korean. Otherwise, Islam in Korea will remain as a foreign religion Koreans find difficult to understand. In a sense, Islam in Korea is currently in a vicious cycle: a lack of intellectuals makes it difficult for Koreans to understand Islam, which works, in turn, as a barrier for the conversion of Koreans to Islam.

Second, an aggressive Protestant missionary approach to Islam causes a great concern for Muslims in Korea. It does not mean that they have to give up using Arabic in prayers as Catholics forsook Latin in mass, but that they must attempt to publish books that explain their religion in plain Korean. Otherwise, Islam in Korea will remain as a foreign religion Koreans find difficult to understand. In a sense, Islam in Korea is currently in a vicious cycle: a lack of intellectuals makes it difficult for Koreans to understand Islam, which works, in turn, as a barrier for the conversion of Koreans to Islam.

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like “a snake, smooth to touch, but with a deadly venom.”

They often spread unfounded criticism of Islam on the internet. For example, quoting Morey, some Korean pastors assert that Allah of Islam is none other than the Moon-God. They also take the liberty of distorting what Korean Muslims say. In the booklet *Islam in Korea* published in 2008, the Korea Muslim Federation expressed its hope that if Muslims keep faith and work hard to spread Islam, it will be possible to embrace as Muslim brothers and sisters a considerable number of Koreans out of 45 million, and Islam will take root more practically in 10 years when children born from the marriages between Koreans and foreign Muslims become adults. The hopes were, however, grossly misinterpreted, perhaps on purpose, as follows: “By way of giving birth to Muslim babies through international marriages, Korean Muslim Federation plans to convert most of the 45 million Koreans to Islam in ten years.”

They also believe that since Islam acknowledges *taqiyya* (the denial of faith), Muslims conceal their Islamic faith when they are weak, and show it when they are strong. They fear that Muslims will be arrogant and dictatorial when they become a majority in Korea. Although *taqiyya* was allowed in case of need, it was especially significant for the Shi’ah, and practiced only under persecution, constraint, and duress. In modern contemporary Korea, no such dangerous and harmful circumstances may fall on Muslims, for religious freedom is absolutely guaranteed. If Muslims have to practice *taqiyya* now, it is a very serious matter, for it means that Korea is no longer the democratic country it has been proud to be. It goes without saying that there is no sign of it in modern contemporary Korea.

Those anti-Islamic Christians are the children of Korean Protestantism that has persisted in its religious exclusivism and created conflicts and antagonism with other religious traditions. This reflects the very theological nature of Protestantism that North American missionaries introduced to Korea in the nineteenth century: a conservative, puritanical, and fundamental Protestantism untouched by the liberal trends of nineteenth-century Europe. Unlike Catholicism, it adhered wholeheartedly to the traditional dogma, *Extra ecclesiam nulla salus* (No Salvation out of Church).

Third, Muslims in Korea must participate in interfaith dialogue with neighbor religions in Korea. As world politics has brought the attention of Koreans to Islamic religious tradition since the September 11 tragedy, Islam has become one of the hottest topics of talk in Korea. Adding insult to injury, the recent rise of ISIL irreparably tarnished the image of Islam as a peaceful religion, making Koreans engage in debate on its true nature.

Korean Muslims have endeavored to present the peaceful nature of Islam. Korean mass media have also restrained themselves from portraying negative images of Islam. In light of Korea’s past historical experience of colonialism under Japan and numerous foreign invasions in her history, Koreans seem to be sympathetic with the plight of Muslims in the Middle East. Nevertheless, the terrorist acts of violence committed in the name of Islam have wielded such great impacts on the minds of Koreans that it is becoming increasingly difficult for non-Muslim Koreans to distinguish real, peaceful Islam from terrorist Islam.

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As Muslims in Korea have always exerted all their efforts to show that Islam is a religion of peace, they neglect to venture into interfaith dialogue with other religions like Christianity. They seem to have been content with reiterating dry theological formulations and doctrines that Islam is a religion of peace. They have not yet tried to engage in interfaith dialogue. In order to help the Korea Muslim Federation to get along well with other religions, the Korean Conference of Religions for Peace, an interfaith organization composed of various religions in Korea, has held an annual interfaith dialogue seminar on Islam since 2010. The seminar was organized, for the Korean Conference of Religions for Peace diagnosed that considering that most of the migrant workers to Korea are Muslims, Korea was urgently in need of a better understanding of Islam and Muslims to build a more integrated future society where Muslims and non-Muslims can live harmoniously.

This year’s seminar was timely, as the hatred and negative views of the public towards Islam grew due to the horrendous and cruel acts of terror by ISIL. Under the theme of “Islam, Let's Go Together!” three non-Muslim scholars presented papers, pointing out some common misconceptions about Islam and talking about peace in Islam and the Charlie Hebdo incident in France. It is quite interesting to see that non-Muslim intellectuals have presented papers in defense of Islam in Korea. Indeed, organizers and participants of the annual seminar have keenly felt the lack of Muslim intellectuals who come forward to conduct interfaith dialogue.

Conclusion

Islam in Korea was re-introduced 60 years ago, after the Joseon dynasty forced Muslims to follow Neo-Confucian culture and custom in 1427. Compared with the two dominant religions, Buddhism and Christianity, Islam in Korea has a much shorter history and far fewer adherents. It remains a marginalized religious tradition. With the acts of violence perpetrated in the name of Islam, and the influx of migrant workers from the Muslim world, however, Koreans have

been increasingly wary of the presence of Muslims in the country. Negative public views on Islam certainly exist, though not at a worrisome level. In general, except for radically conservative Christians, most Koreans seem to understand that ISIL does not represent Islam, thanks to the Korean Muslims’ efforts to discredit the terrorist organization, and the quite fair Korean mass media coverage of political developments in the Middle East.

However, Muslims in Korea must address the three challenges smartly: a serious lack of indigenous Muslim intellectuals to translate difficult foreign terms and phrases into plain Korean, an aggressive Protestant missionary approach to Islam, and a venture into interfaith dialogue. It does not suffice to repeat over and over again that Islam is a religion of peace. Muslims in Korea should be aware that a growing number of Koreans are posing a question why most Muslim countries do not allow their nationals to choose to follow whatever religion they like, while Muslims in Korea freely convert non-Muslims to Islam. Koreans come to be aware of a seemingly wide gap in the perception of the freedom of religion between Korea and the Muslim world. As Muslims in Korea find right ways to deal with the three challenges, they may have to rethink the freedom of religion at the local and international levels. It is perhaps the most daunting challenge for Muslims in Korea to address in solidarity with their fellow Muslims in the world, since Koreans highly value a religiously plural society where absolute freedom of religion is protected, and various religions co-exist peacefully. Until then it would difficult to expect Koreans to feel at home with Islam in their country. The vicious cycle of alienation will be doomed to go on, unless Muslims in Korea endeavor to get rid of the foreign element in their religion and develop a sense of its belonging to Koreans, for the general public may repeat the decision of the fateful year of 1427.

This chapter starts from the hypothesis that international migrants create trans-local social spaces at the locations where they temporarily migrate to work. In the major cities of the Arab Gulf States, the high numbers of foreigners shape the urban and social fabric, which is—since the modernisation after oil discovery—characterised by the significant divide into local and foreign population. The continuance of this demographic structure produces a specific type of socially and culturally globalised spaces constituted through the diverse spatial everyday practices of the heterogeneous population groups.

The Gulf Cooperation Council (GCC) comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates, which are all relatively young nations with a modern city development and urbanisation that only started in the second half of the 20th century. The Arab Gulf societies are, basically, still following traditional attitudes and values, which partly also refers to the inherited social order of the tribal Bedouin system. The main distinction to other, openly declared “immigration countries” (e.g. Canada, the United States, or Australia) can be seen in the high number of economic migrants in the Gulf who are recruited exclusively with the objective of a temporary stay.
The recruitment policies and labour market structures in the GCC countries do not sufficiently take the societal, but also economic consequences of the increasing social and cultural diversity into account yet. It appears to be relevant to find a sustainable way of dealing with this heterogeneity and thereof emerging tensions. Although assimilation, integration or cultural merging has never been targeted by the hosting Gulf monarchies, the diversity of the modern urban societies is a reality that requires long-term strategies to avoid a potential threat of social unrest. Furthermore, diversity could also be seen in its’ potential of urban pluralism. For the targets of a sustainable economic diversification process towards knowledge-based, information-driven global economies, tolerance and creativity are basic factors that could help to achieve these goals.

Hence, a deeper understanding of the social interactions appears as a social, political, and economic relevant topic.

This chapter will, firstly, give an overview about the “agents” in the production of the urban fabric, i.e. the migrants to the GCC. Secondly, it will discuss the production of these globalised cities within the frame of Henry Lefebvre’s theory of space production. Different empirical examinations of the lived reality of migrants and their creation of trans-local spaces via social practice have been undertaken in Muscat, with comparative participatory studies in Dubai and Doha.

Migrants from Asia to the GCC

The migration regime that has evolved in Asia is primarily, i.e. in terms of numbers, a global “South-South” system of temporary migration of low-skilled and semi-skilled workers on fixed term contracts, largely to the Arab Gulf countries. For economic, socio-cultural, and demographic reasons, the Gulf region has had


2. The main empirical findings are based on a research project on "international migration and the production of space and society" that has been undertaken in Muscat (Oman) from 2009 - 2014. In a heuristic, qualitative approach, migrants from different socio-economic positions and nationalities have been interviewed with regard to their migration biography (to Oman and with experiences from other GCC countries), their expectations, perceptions, and experiences of working and living in the Gulf. The project aimed to gain further insights about integration or (self-) exclusion of the migrants in the host societies, their contribution to the production of the urban social fabric, and their lived trans-locality (through multi-sited methodology, i.e. following the returning migrations “back home”, in particular to Sri Lanka and South India).

3. The term global “South-South” migration is widely used for the changing migration dynamics, that nowadays largely connect the emerging or developing countries, which are in majority located in the Southern hemisphere. It slowly outnumbers the previously dominant South-North system, with migrants mainly migrating from the so-called “developing countries” to the industrialized countries in the North (or less precisely “Western hemisphere”).
high demand for a foreign labour force since the beginning of its swift modernisation boom after the discovery of oil and gas at the end of the 1960s. The main drivers that have kept the economic migration flow from Asia to the GCC high have been: the continuous economic growth and modernisation boom (mainly in the construction sector), the labour shortage, and the wage differential among countries of origin and destination.

By 1975, three-quarters of all migrant workers to the GCC were Arabs (mainly from Yemen, Egypt, Palestine, Jordan, etc). But their origins have changed significantly since the 1990s, shifting towards a predominance of the labour force coming from South and Southeast Asia (see Figure 1). Today, at the beginning of the 21st century, the Arab Gulf region has become the largest destination for labour migration in Asia.

Figure 1. Outflows of Workers from Selected Asian Countries to the GCC in 2011

<table>
<thead>
<tr>
<th>Destination</th>
<th>Bahrain</th>
<th>Kuwait</th>
<th>Oman</th>
<th>Qatar</th>
<th>Saudi Arabia</th>
<th>UAE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>13,996</td>
<td>29</td>
<td>135,265</td>
<td>13,111</td>
<td>15,039</td>
<td>282,739</td>
<td>460,179</td>
</tr>
<tr>
<td>India</td>
<td>14,323</td>
<td>45,149</td>
<td>73,819</td>
<td>41,710</td>
<td>289,297</td>
<td>138,861</td>
<td>603,159</td>
</tr>
<tr>
<td>Nepal</td>
<td>4,847</td>
<td>15,187</td>
<td>2,442</td>
<td>102,966</td>
<td>71,116</td>
<td>44,464</td>
<td>240,822</td>
</tr>
<tr>
<td>Pakistan</td>
<td>5,940</td>
<td>6,251</td>
<td>37,580</td>
<td>10,171</td>
<td>138,495</td>
<td>222,097</td>
<td>420,534</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>7,057</td>
<td>48,105</td>
<td>6,370</td>
<td>53,632</td>
<td>70,896</td>
<td>42,198</td>
<td>228,258</td>
</tr>
<tr>
<td>Philippines</td>
<td>15,434</td>
<td>53,010</td>
<td>10,955</td>
<td>87,813</td>
<td>293,049</td>
<td>201,214</td>
<td>661,475</td>
</tr>
<tr>
<td>Indonesia</td>
<td>14,323</td>
<td>45,149</td>
<td>73,819</td>
<td>41,710</td>
<td>289,297</td>
<td>138,861</td>
<td>603,159</td>
</tr>
<tr>
<td>Vietnam</td>
<td>7</td>
<td>3,627</td>
<td>1,160</td>
<td>4,794</td>
<td></td>
<td>1,160</td>
<td>4,794</td>
</tr>
<tr>
<td>Total</td>
<td>75,720</td>
<td>212,880</td>
<td>340,250</td>
<td>351,120</td>
<td>1,170,816</td>
<td>1,071,594</td>
<td>3,222,380</td>
</tr>
</tbody>
</table>

Source: Asian Development Bank Institute, 2013, p. 29. (Figures for Sri Lanka and the Philippines are for 2010).

The labour markets in the GCC are characterised and mainly run by a non-national workforce that outnumbers the national workforce in all of the GCC countries, as illustrated in Figure 2.

The hierarchy of the labour market is clearly structured: Gulf citizens are mainly working in managerial and administrative positions and are the employing sponsors. The majority of foreign highly skilled experts are working for international companies (oil and gas, construction companies, banks), in the educational sector, and as professionals (IT, medical services, etc.). The majority of the foreign workforce is represented by the lower-skilled workers from South and Southeast Asia, the “working class”. They are working in the construction, clean-

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ing, and service sector, including the high demand for domestic workers (housemaids, cleaners, gardeners, chauffeurs, etc.).

The large number of foreigners in the Arab Gulf States consists, in addition to the working foreigners, to a small extent of the accompanying spouses and children. Most of the GCC countries require a minimum salary to entitle the economic migrants to bring their spouses or families; but this amount is in general higher than the average salary of the low-paid workers. Hence, they stay on their own abroad. Amongst the better paid and skilled professionals, a considerable number are also staying alone to save money for their family back home. The majority of highly skilled expatriates, on the contrary, are accompanied by their families. Even though they are a relatively small percentage of the foreign populations, their impact on the city production is highly significant and visible: They require, participate and consume actively on the level of infrastructure and institutions (e.g. international schools, goods and services), they have high levels of mobility, large and individual accommodation, high-value consumption pattern, etc. Hence, they also contribute to a higher extent to the in-country value, with higher spending and living costs and less priority of sending remittances back home to families than the low-skilled workforce.

**The Production of Globalised Cities**

Economic migration to the GCC is predominantly urban-bound, as urban areas are the centres of economic activities and require a large amount of (international) workers. In addition, the Gulf countries also feature some of the highest urbanisation rates worldwide, ranging from 89 to 98 percent, according to UN Habitat.5

The rights of foreigners in the Gulf are highly restricted and controlled by different institutions (governments, recruitment agencies, employers, so-called “sponsors”, etc.). The less they are recognised within the labour market hierar-

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5. These are the estimated data for 2015. The world average was projected as 53.4 percent for 2015, and only 60.3 percent for 2030, when all GCC states are estimated to have reached more than 90 percent on the country-level. United Nations Human Settlements Programme (UN-Habitat), The State of Arab Cities 2012/2013: Challenges of Urban Transition, 2nd Ed. (Nairobi, 2012), p. 34.
cities, the urban society.

(I) Perceived space (“spatial practice”)

This dimension of “spatial practice” represents the (physical) space we create through everyday life, practice, or routines. It is the spatial expression of lived culture, religion, or other forms of social practices that are rooted in shared values, perceptions or beliefs of a society, as well as possibilities and assets of an individual.

The spatial practice in Gulf cities can be examined at the two main categories of physical space: public and private space. Public space, which represents the basic possibility for social encounters in cities, is traditionally limited in Gulf cities. This has obvious reasons like the climate, or mobility preferences and disposability (individual transport over few available options for public transport); but it also goes back to the traditionally indoor—and family-oriented lifestyle, which serves to protect and not expose women and girls to public. Hence, the way Gulf cities were originally planned and built did not provide for extended social gatherings outside of private areas or on the street.

The traditional marketplaces (souqs) have been functioning as important spaces of public encounter and exchange; however, nowadays they are by and large superseded by extended areas of shopping malls, which attract the younger population and have basically relegated the Souq as a shopping area for elderly local people and tourists.

Outdoor seating areas (cafes, restaurants, etc.) or walking areas, e.g. along the seaside like at Dubai Waterfront or around the recently renovated old Souq in Doha (see Figure 3), are increasingly being formed. Although they represent po-

potential platforms for social and inter-cultural encounter (Figure 4), there is ultimately little exchange as foreigners and local inhabitants remain rather separated. What these areas have in common with shopping malls is that they are often places of consumption, and thus require the financial capability to participate. Therefore, for the majority of the migrants, namely the low-paid workers, these are exclusionary spaces.

The restrictions of mobility, by not owning a car, as well as severely limited leisure time and budget for transport costs, limits the action spaces of labour workers mainly to city areas where they are working and staying—which are often non-central locations. However, on Fridays (the weekly public holiday in the Gulf) free, accessible public spaces, such as parks, beaches, the corniche (e.g. in Doha, Muscat, Dubai), sitting areas and places around food stalls, and coffee shops become vibrant areas of public life and social gathering across a broad social and cultural spectrum. Generally, male workers from South—and Southeast Asia meet in groups according to their community belongingness or identity (nationality, language, religion, caste, or social status) in those “open” places in their limited leisure time (see Figure 5).

Spatial practice shapes Gulf cities not only via the creation and the use of public spaces, but also through institutions which transfer cultural attitudes and values from the homeland to the destination localities. In particular, foreign mid-
Middle-class professionals who can afford to bring their families along with them to the Gulf, participate actively in institutional community-building through international schools (e.g. Sri Lankan, Pakistani or Indian Schools), national cultural centres (e.g. Indian social club, cricket clubs) or religious spaces. Due to the high presence of foreigners in the Gulf countries for several decades now, an increasing tolerance towards the practising of other religions can be noted and its expression is being increasingly materialised in the form of temples or churches, in some cases even on granted land from the governments.

Understanding the spatial practice of the different social or cultural groups that are shaping the Gulf cities from the way they live and work in them means to understand, firstly, the hidden mechanisms of how sub-alternity is being constructed amongst the residents and through an opaque spatial hierarchy within these cities.

(II) Conceived space (“representations of space”)

The conceived space is a very powerful dimension for the production of space, which comes through representations of space. According to Lefebvre's spatial concept, a “conceived space is a place for the practices of social and political power.” It is the world of spatial imaginations. In theory, it stands for spatial utopias and visions of urbanists, architects, and politicians.

However, when applied to the example of the production of Gulf cities through migrants, this spatial dimension similarly shows its very powerful meaning for the cities, in particular with regard to the spatial production (likewise possibilities) of low paid migrants: it can be comprehended as the imaginations and expectations of economic migrants. They create “ideal pictures” of the Gulf as a destination and symbol of hope for a better life. Hence, for the majority it is a way out of poverty or to escape their often problematic reality back home, such as the lack of employment possibilities, low wages, social pressure, etc.

The mostly idealised imaginations are efficiently reproduced amongst the translocal migrant’s networks. Individual migration “failures” are rarely reported, although they cover a wide spectrum of reasons, including far longer durations of working abroad than expected, family problems back home, less monetary reward and thus remittances than expected, hard working conditions, mental and physical health issues and more.

The narrative of “success through migration” is a powerful addition to the marked improvement of the living standards for individual households due to the remittances that are sent back. Together, the successful examples and the imaginaries keep the recruitment process and the migration dynamic to the Gulf incessantly vital and alive.

Irrespective of the personal plights of labour migrants, the remittances from the Gulf States are an essential push factor—for the individual migrants as well as for the national economies of the sending countries on a macro-scale. Most of the remittances are going to be invested in upgrading the individual’s or family’s living standard: houses back home are most commonly the first investment; further projects are, e.g. the costs for weddings, dowries, and education of the children.

These ambivalent experiences with migration to the Gulf turn the cities into paradoxical places: arguing from the lens of an “emotional geography”, the Gulf cities represent spaces that cover the broad spectrum from hope to despair. The large numbers of low-skilled migrant workers, who are the ones who basically produce these imagined and experienced spaces, are contributing to the shape of the urban fabrics significantly, even though they are not entitled with many rights to the city. This dimension of the production of space in Gulf cities takes place largely via institutions (recruitment, work organisation, etc.), and via the lived trans-locality of migrants. The imagined space of a successful migration is, therefore, part of the trans-local reality.

(III) Lived space (“representational space”)

The lived space is the merged dimension of the two other spatial categories. It is the lived experience in the everyday life of people, nourished by the imaginations of space as well as reproduced through spatial practice, and the mostly subconscious attachment to a place. It becomes all the more significant for the production of globalised cities, the longer the migrants stay and establish their trans-local everyday routines, albeit temporarily, in the destination country.

Lived space is the representation of trans-locality, which is well expressed and can be grasped through social networks. They are important mediums of communication for the exchange of ideas, and to structure and support everyday life for migrants abroad. Networks are reproduced through socio-cultural attitudes, habits, consumption patterns, goods and services, all of which contribute to the diversity of the Gulf cities.

However, reflecting on the “right to the city” of migrants, and therefore the right to be an active and creatively participant part of the society, is in the end determined by the politics of belonging. They are decisive in attempting to answer the question of to where migrants feel attached and how they identify themselves.

The most important factor that causes migrants, no matter their origin, nationality or duration of stay in the Gulf, to not identify with the host country they live in, is the largely impossible task of achieving Gulf citizenship or to own property (save for few exceptions). Immigration in any form is welcome in the GCC countries—only if it is temporary. Permanent immigration that extends to assimilation, wherein any kind of ethnic difference disappears as a result of adaptation on the part of the migrants, and naturalisation, are not targeted.

Therefore, social integration opportunities for migrants are restricted, with struc-

Cultural integration into the labour market and the socio-economic position becoming the decisive factors. The host society as a whole is not available as a point of reference for social integration, but only that segment of the heterogeneous society which is accessible to the migrants based on their individual economic, social and cultural assets. Hence, lower skilled migrants, domestic workers and others who have limited mobility and restricted time and money disposability, generally live and meet with likewise-situated people. Language, religion, and cultural practice, which are all comprised in one’s social status, are the utterly important categories for feeling socially comfortable and accepted—and thus, having access to specific segments of the entire society.

This means that the urban societies in the GCC are segmented societies with clear factors for the social hierarchy. This bears the risk of self-exclusion of some which is often seen as hindering factor for social and economic development of a society as a whole.

Conclusion

“Every society produces its own space according to its mode of production.”

Lefebvre’s theory helps us to understand the modes of social and spatial production and the struggle over the meaning of space. Furthermore, it can be used as a conceptual instrument to reflect the possible scenarios for urban and social development—against the background of tolerance and a positive attitude towards cultural (and social) diversity.

The fast growing urban areas in the Arab Gulf countries are experiencing new dimensions of socio-cultural globalisation in terms of pace and place-detachment: New is that the increasing level of international and individual mobility is enhancing the fluidity and dynamic of trans-national movements and trans-local practices. Furthermore, the entanglement of traditional and modern lifestyles is increasing the urban and social fragmentation processes. And, socio-cultural heterogeneity is increasing and formerly clearly locatable place-identities are blurring amongst the next generations of migrants.

Therefore, strategies have to be discussed to deal in a sustainable, i.e. long-term perspective with the consequences of the multiple cultural encounters in modern Gulf cities, and to reflect the current policies of identity and belongingness.

Globalisation of digital culture is constantly expanding as access to the internet as well as access to relevant tools to create digital culture is getting more affordable. An example for spreading and promoting culture across borders can be seen in the relationship between the GCC countries and South Korea and also in parallel developments of digital culture in both places. This relationship has gotten stronger in recent years and does not only include the trading and construction side of the link but also interactions related to music, film, TV-shows and fine arts.1

In the Gulf, the influence of global culture is omnipresent. The region was a trade hub for centuries and hosted traders from Asia, Africa and Europe. Today its vast amount of foreign labor in addition to a globalized world contributes to international cultural influence on local arts. Globalisation of culture in the Gulf and elsewhere can easily be observed online in digital cultural interactions on YouTube, Tumblr, Instagram and other platforms. When it comes to global culture, the most popular recent example from South Korea might be the huge success of Psy’s ‘Gangnam style’ which is the most watched YouTube video of all time.2 With new media and its accessibility and continued usage, cultural impact does spread also outside of the known patterns of US imports of pop-culture. Recently, South Korea and Japan are the two countries that managed to globally promote their own distinct branch of pop-culture through the export of music and films. However, South Korea seems to take a much stronger economic approach to it, which works with state subsidized measures.3

During my field research in Oman and the UAE in 2009 it became clear that the interest in South Korea goes beyond trade and engineering. It seemed that especially younger women enjoyed watching historical TV dramas and from there developed a stronger interest in the culture which included attending concerts of traditional Korean music. The TV dramas initially found their way into the Gulf because of a South Korean state program supporting cultural exports and offering dubbed TV shows to channels all over the world.4 Cultural ties only got stronger over the years and resulted in a vivid interest in South Korean culture in the Gulf. Kim Suwan presented research that shows a correlation between cultural export and growth of economic exports from South Korea.5 The involvement of South Korea’s economy goes so far that President Park encouraged a

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1. Global culture here means a common consumption of culture around the world which can be diffused by travel or media. Within global culture, norms can be shared that contribute to an international interconnectness.

2. “Gangnam Style becomes YouTube’s most-viewed video,” BBC (November 25, 2012).
special focus on the creative economy during her visit to the UAE in 2015.6 This should be in addition to a strengthening of relations in the field of education, public health, tourism and communication as well as the nuclear deal.7 Since then, the youth in the Gulf is continuously engaging with South Korean culture.8 This engagement expands to the consumption of Korean cosmetics and fashion in addition to the already established fandom of K-pop and K-drama.

An earlier research interest related to online media and digital culture in the Gulf led to an examination of the relationship with South Korea. The research focus widened to connections between Asia and the Gulf because ties seem to have gotten stronger in recent years. The main focus in this research lies on the visual output in the connection of digital culture. That means mainly images and videos online but connections can also be found in digital art in galleries and museums.9

To better understand the two regions’ digital sphere, the following is an introduction to popular digital culture in the Gulf as well as a summary of aspects of digital culture in South Korea. Common features and intersections between the two will highlight the connection in arts. A broader context of questioning globalized culture via digital media and its relation to local tradition will help understand current developments.

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7. “South Korean President’s Visit to Strengthen Ties with Qatar,” Gulf Times (March 4, 2015).
8. Kim Suwan, Suren Noh Kelsey as well as Nissim Otmazgin have worked on the impact on the relationship between Korean cultural exports in the Gulf and its relation to economic ties. Ayoung Kim’s work for example connects Kuwait and South Korea in “Zepheth, Whale Oil from the Hanging Gardens to You, Shell 3” 2015.
9. Digital Culture in the Gulf

Especially in the Gulf countries where internet penetration is high and access easily possible, literary and visual output is important to young users and has been distributed since the early 2000s. Poetry and music performance and recitation on YouTube, short stories, blog posts, Tumblr’s, animated visual novels or novels published chapter by chapter on Facebook are part of the everyday cultural dissemination on the internet in the Arab world. Here it can be distinguished between macro level cultural connections, or state induced commercial actors as well as cultural content by ‘regular’ users.

Preferences are constantly changing and developing but in general it can be said that poetry—which until today plays a major role in the Arabic literary tradition—is one important constant in online culture in the Gulf. When it comes to topics, it is not much different from the rest of the world but in comparison to Europe, for example, a stronger emphasis on religion and poetry can be found. A constant is of course pop-culture, political events, religion as well as all kinds of commercially and visually pleasing elements.

Participation culture is an inherent feature of online cultural production. In the Arab world possibilities of self-expression are limited because of governmental restrictions. Hence, participating in and sharing of content is of high value.

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Digital Culture in Korea

Korean digital culture is in many ways similar to the one of the GCC. Blogs are still one of the more important outlets of thought virtual communities as well as message boards are equally part of platforms of political and cultural discussions which is similar to the Gulf. However, all including platforms such as Cy-
world are not to be found in the Gulf.

A very distinct aspect of online culture in South Korea that cannot be found anywhere else in the world in this intensity is the huge industry around online gaming as a sport. YouTube videos and gaming competitions are watched worldwide and are also popular amongst the youth of the Gulf. These forms of digital culture and platforms of interaction are increasingly interesting to a Middle Eastern audience as can be seen in the examples that follow.

**Intersections and Common Features of Digital Culture in the Gulf and Korea**

Online and offline, a lot of intersections and interactions can be found. On the one hand there are parallel developments when it comes to participation on a pop-cultural and a political level. On the other hand South Korea’s presence in the Gulf reaches a younger audience online that gets involved in a variety of activities. There are plenty of Tumblr’s and Facebook pages used as outlets of fan culture to connect.

It is interesting to note that language affiliations do not seem to play the decisive role here. While English is usually the *lingua franca* of the internet, it is interesting to see in the Gulf-South Korea connection and exchange of digital culture, it has very little impact. Language barriers don’t seem to hinder cross-cultural communication. Surprisingly a lot of the South Korean Tumblr images, gif’s and video’s are subtitled in Arabic. This is due to very active fan participation. Images are getting more and more dominant in popular online culture. Social media increasingly switches to visual output such as Instagram, Tumblr, Pinterest or YouTube.

The interactive and participatory part of digital culture is embraced in both geographical areas. Especially message boards for discussions seem to be important.

Similarities in topics of interest in digital culture in both places are not only related to politics, K-pop and K-drama. One inherent feature that becomes visible when studying both digital fields, is the constant negotiation and discussion of body image. It seems to take over a large portion of both digital cultural spheres. This can mostly be found in contemporary digital art. Online in mainstream forums of course a lot of discussion around beauty and beauty standards can be seen on a variety of levels as well. This is a global trend that appeals to both contexts.

For the purpose of showing similarities of ideas, Figure 1 shows two examples of digital artists who deal with body image and global materialism. There are many more intersections between both geographical areas but these serve to show an overlap of critical dealing with societal issues. One inherent feature that becomes apparent when studying both digital fields, is the constant negotiation and discussion of body image. It seems to take over a large portion of both digital cultural spheres. In the GCC, bodies are usually well hidden under wide clothes but masculinity, femininity, and appearance in general, plays a role in society and media.

The two examples of digital art deal with globalized commercialism, bodies and body images. Both artists exhibit their works online as well as in museums and art galleries.

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10. Cyworld is a South Korean social network that is used since 1999.

The Korean digital artist Kim Joon is known for his digitally produced images of bodies that display brand names and his video works that include digitally manipulated moving images which often have elements of body parts in them that are decorated with patterns of traditional Korean culture. Kim interprets consumerism as shared identity with presenting his human billboards. Also as shown in Figure 2, Al-Mutairi works with traditional patterns. He uses traditional patterns as a ghutra that is worn by men and turns them into a batoola (face mask) that is usually worn by women in his work. In galleries in the Gulf countries, images of naked human beings as seen in Kim Joon’s work are usually not exhibited. However, as shown in Figure 3, artists such as Fatima al-Qadiri play with beauty standards for example in her graphic novella “Mahma Kan Athaman” from 2010. Artists from both locations show similar directions of criticism of identity, body image and commercialist culture.

The Kuwaiti artist Abdullah Al-Mutairi is part of the “GCC collective,” which is a group of young artists from the Gulf and also part of international project of 89plus. His work is exhibited online as well as in museums in the Gulf. Abdullah Al-Mutairi plays with the relationship between body image and the material world. His earlier works include dealing with gender fluidity and national cos-

12. Kim uses tattoos in his work as an interpretation of Foucault’s “repressive hypothesis.” Rachel L. Baum says about his work “that whatever enters social discourse through prohibition will in fact proliferate and expand, colonizing our consciousness and spreading across our vision of the world. This dualism of proscription and obsession is clear in Kim’s account of tattoo as, on the one hand, expression, desire and self-creation and, on the other, “compulsion, coercion, duress and constraint—what Foucault describes as a “game of powers and pleasures.” Rachel L. Baum, “Skinning: The Art of Kim Joon,” Korean Artistic Project with Korean Art Museums (2014). http://media.wix.com/ugd/3bbc6f_0272fb7d0f2f488a68772f0e5a5e92b.pdf.

13. The GCC collective is an artist’s collective of different GCC countries.
Both artists seem to be inspired by various forms of body image culture and the overtaking of commercialism in their works. In addition, Al-Mutairi and Kim pick up on local traditions without buying into the orientalist expectations of an international art market. Another similarity is the interest in the impact of corporate branding on the individual. While Kim is branding his virtual models, al-Mutairi develops short commercials.

Both artists are also showing an ironic approach to a serious subject and having a sense of humour while dealing with these topics. Kim and Al-Mutairi break with what the eye is used to by manipulating the ordinary or mainstream and breaking with its visuality.

As we can see in these images, a global vibe is represented in either the youthfulness or the commercialization of body images. Interestingly, the thematic appears to be heavily influenced by local culture. Abdullah Al-Mutairi’s works that promote gender fluidity and criticize the culture of materialism as a symbol for modernity dig into regional understandings of aesthetics. His engagement with Kuwaiti society in a global context appears to be very similar in its basic idea to Kim Joon’s play on materialism and body image in South Korea. Digital culture always connects the global and the local. It not only offers possibilities to make works accessible and share them with the world, it also helps to find a like-minded community. Artists like al-Mutairi make clear that the internet is a place not void of ritual. However, it opens up aspects of distributing cultural production to the world. He emphasizes that communication strategies online are stretched far in the Gulf. It enables people to keep a strong focus on the local or regional while at the same time form a connection to the external; the examples highlight this aspect.

The two examples show internal struggles, discussions, even contradictions within the usage of traditional versus contemporary. Kim and Al-Mutairi are demonstrating critical positions towards global mechanisms of commercialized and often even ‘westernized’ culture—questioning commercialized cultural imperialism, as well as regionally influenced standards of beauty or perceptions of gender. While being embedded in a global context, a distinct direction of global mainstream is questioned. This is especially interesting because it goes beyond what is expressed in ordinary online pop-culture.
Digital Culture

The online sphere is both regional and global. While most online activities are happening regional, global interactions as the ones between South Korea and the Gulf countries can also be found. However, the online sphere is more of a regional space than a global space when it comes to distinct forms of cultural output. That means in the Gulf there might be a stronger focus on poetry than in East Asia, for example. In South Korea you can find a strong impact of gaming culture.

It is also an international space. It goes two ways. On the one hand, it enables international connections and exchange of mainstream culture, news and other information. On the other hand, a stronger focus on regional culture can be witnessed. However, cross cultural and international interaction also takes place. This can be seen in the global interactions with South Korea. For the Middle East, regional and international connections became very obvious during the uprisings in 2011. Still, the content of shared material stays mostly local or regional.

The opportunities that open up with interaction and participation culture online are of great importance for societies and help to exchange and develop ideas in a less restricted or censored space than an offline environment would allow. Connections are not only established in media culture but also with actual events such as life performances and concerts. Despite the fact that there seems to be a larger portion of South Korean culture imported to the Gulf states, there are also ways of getting Gulf culture to South Korea, for example through concerts. However, this is rather minor in comparison.

The culture connection between South Korea and the Gulf countries stems from an economic interest which is then developed into broader interest in South Korean culture from the side of Gulf youth. While South Korea is financially dependent on the Gulf, it uses its cultural products to strengthen the bonds that are established.

Are North-South Dynamics Valid When It Comes to Korea and the Gulf?

As the economic factor in the relationship is dominant, it influences the cultural export as export is incentivized. This global exchange goes hand in hand with eclectic consumerist patterns. Gulf culture is slowly getting more hybrid in the sense that Chamsy El-Ojeili and Patrick Hayden use the term meaning the melting of cultures in which no one single society finds itself in the dominant position. It still stays traditional while opening up slowly to new ideas, especially when it comes to the economy. In arts, localism in the context of a greater global community is part of global culture as Vladimir Korobov writes, a ‘hybrid’ between a national or local community and an international (global) social structure, whereby no one trait takes a dominant role. Nevertheless, Gulf culture is dominant and there is no balance between foreign impact and local culture. However, through the heavy global impact on the region, the Gulf is receptive to cultural products that embody similar cultural and moral values such as the historical South Korean TV dramas that show strong family ties and hierarchical family structures. As can be seen through online interactions as well as the parallel developments presented in the art works, the relationship between the two locations goes beyond mainstream culture. Gulf artists as well as fans of Kpop do

not limit themselves to the pleasures of state approved TV-shows but develop a deeper interest.

The themes I just presented are just one brief and incomplete overview of connections in digital culture in the Gulf and South Korea. Usage of apps in a more mainstream context such as Tumblr and Instagram are used to connect the two and serve to promote South Korean culture. Intersections and overlaps can be found in dealing with critical ideas in contemporary digital art. A globalization in digital culture leads to a stronger interconnectedness and exchange as well as to rethinking local heritage and traditions. For a broadening of this research it will be interesting to look at other aspects of digital culture between South Korea and the Gulf such as digital archives, digital nation building and connecting networks between the two.

Biographies

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