Influence of Ideas on Trade Policy in East Asia:
A Comparative Study of Korea and Japan
in their Bilateral Trade Agreements with ASEAN

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Paper Prepared for ISA Asia-Pacific Hong Kong, June 2016

Abstract. As a latecomer in the free trade agreements (FTAs), East Asia in the early 2000s have shown a competitive behavior rather than a cooperative one. The vigilance caused by the rise of China was no exception in the realm of FTAs, which intensified when China joined the WTO and signed an FTA with ASEAN. Promptly responding to this move, Japan and Korea initiated their own agreements. In approaching ASEAN, however, the two countries’ preferences diverged. Japan first proceeded with the bilateral approaches of negotiation, while also pursuing the group-based ASEAN-Japan Comprehensive Economic Partnership. Like Japan, Korea also started out an FTA with Singapore, but soon changed its approach to the group-based one. In the presence of regional political and economic competition, how did the two countries come to change their perceived interests placed between bilateralism and regionalism? I propose in this chapter an analytical framework that conceptualizes ideational elements of the FTAs in the domestic decision-making processes, shaping their interests for the different negotiation preferences. Using this framework, I find that Korea and Japan’s values placed on the regional identity and the experiences with their earlier FTAs have played significant roles in determining their changes of negotiation preferences with ASEAN.

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