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South Korea and the East Asia Summit: collective identity, balance of power or domestic politics?

On 13–14 December 2005, the inaugural East Asia Summit was held in Kuala Lumpur, Malaysia. Three new member states from outside the contemporary geographical definition of East Asia were added—Australia, New Zealand and India. This paper addresses the question of whether the addition of the three new members represents the evolution of a regional collective identity, a calculated move to maximise advantage in the balance of power, or the will of domestic constituencies within existing member states.

Taking South Korea as a case study, the paper looks at the competing theories and compares the role of collective identity, the balance of power and domestic politics in motivating the South Korean approach to the East Asia Summit. It develops conclusions about the usefulness of the competing theories and draws implications for policy makers.

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Introduction

Recent attempts to explain regionalism in East Asia have largely centred on constructivist, realist and liberal intergovernmentalist theories.

Constructivist theory contends that a region is a social construct, formed through shared understandings, expectations or knowledge.[1] If states share understanding, expectation and knowledge on a particular issue, it is easier for them to cooperate, and further build upon the existing consensus. Cooperation, be it political, economic, military or even academic, reinforces the intersubjective understanding that exists between the states, ultimately leading to the formation of a collective identity. A region's collective identity is in turn formed and reformed through the process of 'differentiation'—identifying the 'self' through reflection and interaction with an 'other'.[2]

In contrast, realist theory contends that regionalism is based on states' intentions to maximise power in a decentralized, anarchic international structure. As noted by Rostow, states seek to join regional groupings in order to maximise either: strength in the face of a threatening hegemonic power; strength vis-à-vis a benign hegemonic power; or strength through exploiting economies of scale in economic activity.[3] In the case of East Asian regionalism, Ravenhill notes that opposition to US 'triumphalism' in the wake of the 1997 Asian financial crisis was a driving factor that pushed East Asian states together. [4]

Liberal intergovernmentalist theory is influenced by early institutionalist research on the European Union. Central to this is the rationale for states to cooperate in order to achieve absolute gains. As Keohane and Martin argued, states cooperate (in a decentralized, anarchic international structure) in order to 'reduce transaction costs, make commitments more credible, establish focal points for coordination, and in general facilitate the operation of reciprocity'.[5] It follows that absolute gains for all states are practical alternatives to relative gains at the expense of other states. Liberal intergovernmentalism takes this a step further to emphasise the role of domestic constituencies in pressuring governments to facilitate (or obstruct) participation in institutions, in order to capitalise on these potential economic, military or political gains. Moravcsik identified a three-step process to regionalism. Regionalism begins with national preference determination (that is, seeking domestic support for security, economic or political cooperation), followed by interstate bargaining and finally a choice of institutions.[6]

The December 2005 East Asia Summit presents an opportunity to compare these competing interpretations. The lead-up to the Summit was marked by growth of a regional East Asian collective identity. Particularly after the 1997 Asian financial crisis, an East Asian regional collective identity crystallised both in the region and externally. However, closer to the Summit, substantial jockeying for leadership between member states was more than evident. The very fact that the Summit was held at an earlier date than envisaged by its designers (see below) was a result of efforts to maintain influence and maximise gains at the expense of other states. It can also be argued that the less-than-spectacular results of the Summit reflect

the lack of support from domestic constituencies that were not convinced that another regional grouping could provide tangible gains.

This paper examines whether interest in the East Asia Summit process, from the point of view of South Korea, was focused on strengthening an East Asian 'collective identity', maximising advantage in the regional and global balance of power, or building domestic constituent support for the process of East Asian regionalism.

Collective identity

Modern history dealt Korea a double blow that encouraged insularity and contributed to the rejection of an East Asian collective identity. The end of the Choson dynasty at the beginning of the twentieth century resulted in a period of great-power rivalry for influence and control of the Korean peninsula, ultimately leading to Japanese occupation. The occupation reinforced insularity through the suppression of Korean academic thought, as well as the suppression of external non-Japanese influence, while at the same time enforcing Japanese learning and thought.[7]

Japan utilised, in part, 'Asianism' or 'pan-Asianism', as justification for expansion in East Asia. Pan-Asianism as a popular movement emerged in the early 19th century across Asia, as independence movements sought solidarity with others under colonial rule. This marked the nascent beginnings of an emerging Asian collective identity. Ultimately, however, pan-Asianism as a justification for Japanese expansion found little support, except in the more distant regions that had not suffered the extremes of occupation. By the early 20th century, Asianism as an intellectual force was corrupted and voided by its connection to Japanese militarism.[8] The occupation left deep scars that, to this day, influence South Korean and wider Asian conceptualisation of an East Asian collective identity.

Later, the Cold War also shackled the South Korean conceptualisation of an East Asian collective identity.

In Western Europe, the Cold War had a positive influence on regionalism. Western Europe enjoyed a relatively even distribution of power among member states and a collective desire to increase negotiating capacity vis-à-vis the two much larger, great-power influences of the Soviet Union and the United States. In comparison, in East Asia, the United States was positioned at the centre of a series of economic and security relationships with individual countries, in what has become known as 'hub-and-spoke' relationships.

In East Asia, the smaller number of states, the much wider disparity in levels of development, dependence upon extra-regional markets (in particular the United States market) in export-led development, as well as historical differences, reinforced these hub-and-spoke relationships, and weakened any attempts to form an East Asian collective identity.

The South Korean concept of its place in the East Asian region was particularly influenced by the Cold War. As a divided state in a potentially hostile region, South Korea had to look

towards the United States both for security and for recognition of its role as the legitimate government on the Korean peninsula. Consequently, South Korea identified more closely with its role in the United States alliance structure than it did with the immediate and largely hostile region.[9]

The end of the Cold War released South Korea and the rest of East Asia from this conceptualisation. Economic relationships were no longer intricately tied to the wider security relationship which dominated the Cold War years.[10] In 1992, South Korea established diplomatic relations with China and in 1998 South Korea lifted a half-century-old ban on Japanese popular culture. The vestiges of the Cold War that saw South Korea deal with the world through the United States had ended. The end of the Cold War also coincided with the rise of East Asian capitalism—notably the export-led development models of Japan and South Korea—and their emulation in Southeast Asia.

Emergence of an East Asian collective identity

Facing greater competition and an ever-increasing trade deficit during the late 1980s and early 1990s, the United States sought redress in both protective trade measures and a retreat from multilateral liberalisation. This effectively bundled South Korea with Japan, Taiwan and the newly industrialising economies of Southeast Asia in the same boat. The modern South Korean conceptualisation of itself as part of a distinct East Asian region began to emerge.

The realisation of the North American Free Trade Agreement (NAFTA) in 1994 proved to be a critical turning point. A shared sense of fear emerged in East Asian states that they would be left out of key markets, or at least would be unable to match the diplomatic strength of the European Union and NAFTA (and ultimately the Free Trade Area of the Americas).

In the 1990s, a collective identity began to form in the East Asian region based upon their unique models of capitalism (labelled by some as 'Confucian capitalism') and their exclusion from regionalism in Europe and the Americas. This movement sought to identify East Asia through exploration of the 'other', or 'the West'. [11] The ability to differentiate the 'self' from the 'other' is fundamental to the formation of identity.

The advent of the Asian financial crisis in 1997 reinforced and strengthened this trend. With the exception of China, the financial crisis bundled the countries of Northeast Asia and Southeast Asia together. Key regional players, including South Korea, faced severe unemployment and financial instability along with the associated devastating social upheavals. Further, the response of the international community, in particular the initial response of the International Monetary Fund (IMF), proved inadequate. Initial IMF measures to tighten monetary policy and curtail government budgets exacerbated the crisis and resulted in economic decline.[12] To this day, what is widely called the 'Asian financial crisis', in western countries, is called the 'IMF crisis' in South Korea.

The absence of a credible regional institution to deal with the Asian economic crisis led to an exclusively Asian attempt to increase financial and monetary cooperation with the aim of

preventing the occurrence of a similar crisis. At the May 2000 Asian Development Bank annual meeting in Chiang Mai, Thailand, ASEAN Plus Three (APT)[13] finance ministers signed an in-principle agreement to pool hard currency resources—one of several endeavours included in what became known as the Chiang Mai Initiative (CMI). The CMI established the foundations of a cohesive East Asian body.

The CMI resulted in a series of bilateral currency swap arrangements among member states, helping economies move out of the currency crisis and avoid future crises. Also in the interest of avoiding a future crisis, the CMI arranged for information exchanges on the movement of short term capital, in effect creating an early warning system for regional governments. The CMI undertakes initiatives in regular finance meetings, joint training and utilisation of shared expertise.[14] Financial integration has continued to make substantial progress and remains a key driver in strengthening East Asian regionalism.

The Asian economic crisis and the resultant initiatives to solve the problems reinforced the identification of East Asia through exploration of the 'other'.[15] This continues to play an important role in contemporary East Asian regionalism. The pride in the success of the East Asian economies that drove regionalism prior to the Asian financial crisis has re-emerged and now figures prominently in studies on regionalism. As stated by Cheong and Ahn:

> …it is well known, East Asia has risen to become one of the three axes of the world economy, accompanied by Europe and North America. An East Asian FTA should be pursued in consideration of East Asian regional economic integration of equal footing with Europe and America.[16]

Since the end of the Cold War, the concept of 'East Asia' has been continually formed and reformed. Shared understanding, expectation, and knowledge has been built successfully through repetitive interaction among South Korea, Japan, and China, as well as ASEAN.

It could be argued that ten years ago, few South Koreans could place Southeast Asian countries on a map, let alone conceive of some sense of shared regional community. For most South Koreans 'overseas' meant only one thing—the United States. Today, an ever increasing number of South Koreans choose Southeast Asia as a tourist destination. There is an increased level of inward immigration, both legal and illegal, from Southeast Asia. Finally, Southeast Asia appears frequently in the popular media due to its repeated relevance at the forefront of East Asian regionalism. For South Koreans, Southeast Asia is today increasingly recognised as 'part of the same region'.[17]

However, the 2005 East Asia Summit added three new states—Australia, New Zealand and India—to the membership of East Asia. These states did not have the same level of interaction with South Korea during the formative period that followed the Cold War, nor have they been part of the institution-building process of APT.

It is tempting to argue that ethnic or cultural similarities explain the collective identity that has formed in East Asia. However, the states of Southeast Asia are just as different from

South Korea in terms of ethnicity and culture as Australia, New Zealand and India. The central theme that binds the collective identity of the emerging East Asian region is the shared understanding, expectation and knowledge, based upon continued interaction.

Balance of power

The East Asia Summit was preceded by a series of tit-for-tat free trade agreement negotiations between Japan and China on one side and the ASEAN states on the other. With the free trade agreements being less than comprehensive, and arguably, of little real economic value, these negotiations were less than obvious attempts to attain strategic leadership within the region. As noted by the Australian Strategic Policy Institute:

> While trade promotion may be the official rationale for FTAs, especially for China, they are important means of asserting political leadership, as Beijing's FTA overtures towards ASEAN demonstrate.[18]

The inaugural East Asia Summit continued the trend of strategic manoeuvre between China, Japan and ASEAN. This is evidenced by the fact that the East Asia Summit did not reflect the composition or intention of its original designers. The East Asia Summit was meant to naturally emerge at a gradual pace from closer integration through APT processes, as outlined by the East Asia Vision Group (EAVG) and the subsequent East Asia Study Group (EASG).[19]

The EAVG, proposed by then South Korean President Kim Dae-Jung in December 1998, provided academic guidance towards the realisation of an East Asian regional community. It was comprised of eminent intellectuals from each of the APT states. The subsequent EASG, which was comprised of government officials from each of the APT states, was mandated to assess the recommendations of the EAVG and to assess the implications of an East Asia Summit.

The EAVG and EASG recommended that the path towards an East Asia Summit should be incremental. Specifically, the EAVG recommended 'the evolution of the annual summit meetings of APT into the East Asia Summit'.[20] The EASG further found that certain ASEAN states feared the marginalisation of ASEAN if the East Asia Summit process emerged too rapidly. Above all, the EASG stressed that evolution towards an East Asia Summit should be 'part of an evolutionary and step-by-step process'. [21]

Despite the findings of the EAVG and EASG, a decision was made at the 8th annual APT meeting in Vientiane, November 2004, to hold an East Asia Summit alongside the annual APT meeting in 2005.[22]

The decision was strongly influenced by Chinese petitioning for the next APT Summit to be held in Beijing. If the inaugural East Asia Summit process had been held in Beijing, China would have conceivably gained greater control over the process. Malaysia responded with a

diplomatic endeavour to gain support for holding the inaugural East Asia Summit in Kuala Lumpur, thereby maintaining ASEAN, and specifically Malaysian, control over the process.

As an evolution of the annual APT Summit, membership of the East Asia Summit was naturally determined to consist only of those members who were part of the APT. Thus, the attendance of Australia, New Zealand, India, Pakistan, Russia and the United States, nations which had either shown interest in participation, and/or were supported by states already participating, was never considered. However, in order to gain diplomatic support for holding the inaugural East Asia Summit (much earlier than anticipated in the original conception), Malaysia had to concede to Japanese, Singaporean and Indonesian demands for a widening of the membership.

In April 2005, an informal meeting of ASEAN Foreign Ministers in Cebu determined that membership would be restricted to those countries that (1) are full dialogue partners of ASEAN, (2) are willing to accede to the Treaty of Amity and Cooperation in Southeast Asia (TAC) and (3) have substantive relations with ASEAN.[23] This would allow the participation of India, as well as Australia and New Zealand, provided they acceded to the TAC, but would exclude the United States.

Unlike China, Japan and ASEAN, South Korea did not accord strategic considerations great value in its approach to East Asian regionalism. It did not seek a leadership role nor did it attempt to exploit differences between the leadership aspirants. Effectively, South Korea failed to place itself in a position of strategic advantage. There are several reasons that may explain this.

Firstly, the South Korean political system is not as stable or as predictable as that in democracies with an established two-party system.[24] Consequently, electoral politics are given much greater credence than long-term strategic considerations. China has the benefit of being in a position to plan strategic moves, with less regard to constituent concerns. Similarly, democracies with an established party system, such as in the United States or Australia, can manoeuvre with less regard to constituent concerns between electoral cycles. However, the shifting sands of the South Korean party-system do not provide its politicians the same level of liberty.

Secondly, the South Korean position as the sole middle-power in East Asia means that it has not sought a leadership role in East Asia. Unlike China or Japan, there is no ‘grand strategy’ to achieve leadership in the region. Regardless of which power assumes the leadership role, a middle-power can still potentially benefit in economic, strategic and political terms. Accordingly, the desire to seek a leadership role, or to react to other states seeking a leadership role, is absent.

Thirdly, the ‘new regionalism’ that has emerged since the 1990s is largely benign. Today, regionalism does not present a threat to economic dependence, as it did in previous periods of regionalism.[25] With the safety of multilateral institutions to fall back on, and the relatively

open global trading system, regionalism today presents opportunity to a middle-power rather than threat.

Finally, and perhaps most importantly, the security situation on the Korean peninsula plays a dominant role in South Korean strategic thought. The strategic implications of any potential (and potentially distant) East Asian economic agreement pale in comparison to the very real threat of a nuclear armed or rapidly deteriorating North Korea. Bae Geung Chan of the Institute of Foreign Affairs and National Security notes that South Korean capacity to pursue strategic goals in economic agreements with ASEAN states, as undertaken by China and Japan, is hampered by more pressing issues:

> …all of Korea's diplomatic resources are pooled toward resolving the North Korean nuclear issue or strengthening the ROK-US alliance, leaving Seoul with very little means to show the least appreciation for or reciprocate Southeast Asian countries' interest.[26]

The strategic issues regarding the security situation on the Korean peninsula have advanced to a new level that further occupies South Korean diplomatic resources. South Korea now plays a major role in aiding economic reform of the North Korean economy. Further, it does this at a time when national interests between it and its long time ally, the United States, have begun to diverge.

The lack of interest in strategic considerations regarding East Asian regionalism is evidenced by the slow response of South Korea to ASEAN overtures to negotiate a bilateral FTA, and the failure of South Korea to take a position on the expansion or limitation of membership in the East Asia Summit.

South Korea was particularly slow to respond to ASEAN overtures to sign the Treaty of Amity and Cooperation (TAC) and to agree to negotiate a bilateral FTA. While China and Japan reacted quickly to ASEAN requests for consultations, and actively sought negotiations, the South Korean approach has been 'stagnant by comparison'.[27]

Similarly, South Korea made little effort to take a position on the expansion or limitation of membership in the East Asia Summit.

Changes in the membership composition of a regional grouping fundamentally change the balance of power among the participating countries.[28] Accordingly, changing the membership of an East Asian regional grouping from China, South Korea and Japan to include ASEAN, or even extending it further to include Australia, New Zealand and India, is likely to fundamentally change the balance of power between participating countries.

This is particularly relevant for South Korea. South Korea has less diplomatic strength than China and Japan. Positioned alone between China and Japan, South Korea has no capability to achieve national aims through coalition building. Accordingly, South Korea can only play the wedge role, siding with either one powerful player or another. Ultimately, this will

become a more difficult position to play as China grows. South Korea may find itself having to move diplomatically closer to Japan in order to avoid being subsumed by the diplomatic power of China—a difficult thing to do given the sometimes difficult relationship between the two states.

The greatest imbalance in regionalism in East Asia is between the size and growth potential of China, and that of other states. The Chinese Government estimates that by 2020 its economy will attain a GDP in the vicinity of US$4.0 trillion.[29] Chinese GDP on a purchasing power parity (PPP) basis already exceeds that of other APT members states, and is second globally only to the United States. In strategic terms, it is likely that China will become a regional paramount power or even a regionally dominant power. Strategic manoeuvring to date, by ASEAN, Japan and in certain aspects the United States, has been directed at averting China's potential dominance in East Asian regionalism.

However, South Korea also faces the prospect of competing with a resurgent Japan. Despite the overwhelming sensational media coverage of the Chinese economy and its enormous growth potential, in conventional measures (that is not using a PPP basis), Japan remains the second largest economy in the world by a substantial margin. As it sheds its post-war diplomatic and political restraints, it will emerge as a more effective and potentially more determined diplomatic force.

The South Korean position between the economic might of Japan on one side, and China on the other brings new meaning to the traditional Korean saying 'a shrimp between two whales will get its back broken'. With the potential benefits comes strategic challenge. South Korea is in the unenviable position of potentially becoming the most vulnerable state within the APT grouping. As noted by Mansfield and Milner:

> States that derive the greatest economic gains from a PTA *[preferential trade agreement]* are more vulnerable to disruptions of commercial relations within the arrangement than other participants, the political leverage of the latter is likely to grow.[30]

The inclusion of states external to the current APT grouping in the East Asia Summit was primarily aimed at averting Chinese dominance of the grouping. India, Australia, and New Zealand serve as a counter-balance to the economic and diplomatic might of China. As noted by Rostow, states seek to join regional groupings in order to either maximise strength in the face of a threatening hegemonic power, maximise strength vis-à-vis a benign hegemonic power, or to maximise strength through exploiting economies of scale in economic activity.[31] Arguably, South Korea faces all three situations.

Despite the strategic benefits of including external states to balance China, such an approach is not widely supported in South Korea. The level of threat perception vis-à-vis China is considerably lower in South Korea than in Japan or the ASEAN Five states (Indonesia, Singapore, Thailand, Philippines and Malaysia).[32]

In the lead up to the East Asia Summit, South Korea delicately balanced tacit diplomatic support for extending membership to include non-East Asian states, with more pragmatic policy. When Australian Foreign Minister Alexander Downer visited South Korea in November 2005, South Korean Foreign Minister Ban Ki-Moon congratulated Australia on its invitation to attend the inaugural East Asia Summit.[33] Yet at the same time, South Korean policy remained focused on first achieving closer links between South Korea, Japan and China.

Australia in South Korean strategic calculations

The inclusion of Australia in East Asian regionalism is not accorded significant strategic value by South Korea, despite Australia being well placed to weaken external opposition to the formation of a regional body and having demonstrated a capacity to act as a capable diplomatic administrator.

The attempt to form a coherent East Asian regional grouping in the early 1990s, the East Asia Economic Caucus (EAEC), resulted in failure due to strong opposition from parties external to the agreement.

The United States and Australia consistently opposed the formation of an exclusive economic bloc. The EAEC was strongly supported by Malaysia, but United States opposition resulted in the idea gaining only lukewarm support from its ASEAN partners, and outright opposition from South Korea, China and Japan.

Australian opposition was less obvious. Australia made vigorous efforts to garner political support for the creation of the Asia-Pacific Economic Cooperation (APEC) forum. APEC brought together the economies of the two most dynamic economic regions in the world, East Asia and the Americas, but for Australia also served another, more important purpose. The strength of APEC greatly weakened support within Asia for the exclusive regionalism of the EAEC.[34]

As stated by then Prime Minister Keating, if it were not for APEC, the region may have seen 'the growth of a self-confident but inward-looking Asian grouping, building on East Asian trade and investment flows and excluding Australia'.[35] The EAEC, promulgated by former Malaysian Prime Minister Mahatir Mohamad, was the antithesis of Australian aims to integrate with, or at least not be excluded from, the East Asian region.

The United States remains a key player in the East Asian region and ultimately any form of regionalism will be hampered by its opposition. The United States already demonstrated its apprehension to the exclusive nature of the East Asia Summit. The inclusion of Australia, New Zealand and India in the Summit served to allay these fears.[36]

Finally, Australia may also represent a strategic asset in its ability to project diplomatic power. Australia has traditionally 'punched above its weight' diplomatically, particularly in international trade. Despite the relatively small size of its economy, it has managed to

maintain a presence in 'the green room' at World Trade Organization (WTO) negotiations, through its leadership of the Cairns Group of agricultural trading nations. It also continues to maintain a strong presence in international organisations such as the World Bank, Organization for Economic Cooperation and Development (OECD), as well as the IMF.

Australia has also demonstrated a strong capacity for diplomatic administration. It contributed consistent behind the scenes diplomacy to gain support from key decision makers including South Korea, Indonesia and the United States for the formation of APEC.[37] More recently, it was instrumental in the formation of the Asia Pacific Partnership on Clean Development and Climate. Australia worked closely with the United States to win the support of South Korea, China and India to develop an alternative to the Kyoto Pact, which both the United States and Australia have not signed. Australia could prove to be the engine of diplomatic administration that turns an East Asian regional body into a formal working institution rather than another ASEAN talk fest.

Domestic politics

The well known weaknesses in South Korean democracy—the fluid party system and personality politics—indirectly serve as strong influences on the South Korean approach to regionalism.

The South Korean political party system is fluid. Parties tend to be centred on charismatic leaders with little regard for ideological or political identity. Ordinary party members have little opportunity to participate in internal party decision making in key issues, including the selection of candidates for public office, the formulation of party policy, or the development of election strategy.[38] Such centralised top-down control, has in the past encouraged nepotism and cronyism. Another result of this is the power accorded to influential lobby groups. One of these, the powerful agricultural lobby in its various organisational forms, has already exerted great influence on South Korea's foreign economic policy.

Agricultural protectionism is widely considered to be the biggest obstacle in gaining South Korean support for Australian participation in East Asian regionalism, just as it has been in Australian efforts to garner support for the negotiation of an FTA.[39]

In South Korean politics, the agricultural sector wields power disproportionate to its contribution to the economy. This was aptly demonstrated in opposition to the ROK-Chile FTA. Due to the opposition of the agricultural sector, negotiations were slow and difficult, and the final agreement underwent substantial debate in the National Assembly. Rivano and Rhee note:

> During the final vote for the ratification of FTA with Chile, 71 members of the National Assembly out of 271 opposed the trade pact…more than a quarter of the legislative members are allied with the rural area or agricultural sector, more than five times the share of that sector in the economy. [40]

In 2003, when the final vote was undertaken, agriculture accounted for only 3.6 per cent of GDP and rural workers represented less than 8.8 per cent of the workforce. [41]

Australia in South Korean domestic politics

The inclusion or exclusion of Australia from East Asian regionalism would have little or no impact on the South Korean agricultural sector. In recent campaigns to start negotiations towards an FTA, the Australian Department of Foreign Affairs and Trade (DFAT) conducted research, which indicates that 95 percent of Australian agricultural exports to South Korea do not threaten South Korean agricultural producers. Australian rice production is a meagre 0.2 percent of global production, much smaller than other APT states. Three of Australia's four largest agricultural exports (wheat, sugar and cotton) already have tariff rates of 3 percent or less.[42] Further, the impact on sensitive sectors, including fruit and dairy, are ameliorated by seasonal differences and product differentiation. Despite this, the perception remains that Australia, as an efficient agricultural producer, is a threat to South Korean farmers.

The importance of political lobby groups has also been demonstrated by the overwhelmingly conservative FTA policy pursued by South Korea. South Korea has not vigorously pursued agreements with other regional states despite academic and government sponsored studies having been undertaken (which is usually an indicator that negotiations will follow). The fact that such studies have been undertaken, without follow through to negotiations, indicates that the FTA strategy has stalled at the political level, rather than at the policy research level.

The nature of regionalism also reinforces the role that politics plays in the domestic scene. Regionalism is overwhelmingly an elitist phenomenon. It is pursued doggedly by a small collection of academics, industry leaders and government officials. However, the wider population is largely indifferent to the pursuit, except in the intermittent media frenzies that accompany major conferences. This allows regionalism to become an exploitable wedge issue in domestic politics. Agriculture has proven to be one such issue.

Another political issue that is closely tied to the issue of agriculture is the perception of Australia as external to the region. Firstly, the extension of membership in East Asian regionalism has to date, held negative connotations when covered in the South Korean media. Extension of membership has been associated with the Japanese desire to counter Chinese influence. The Korea Broadcasting Service (KBS) reported in December 2005 that:

> Japan has managed to include "U.S.-friendly" nations, like India, Australia, and New Zealand into the membership of the bloc and has even made an attempt, albeit a failed one, to bring in the U.S. as an observer. [43]

Due to the intermittent strains in South Korean-Japanese ties, and the association of Japanese aims with the extension of membership, the inclusion of Australia is often reported negatively in the South Korean press.

Secondly, many South Koreans simply believe Australia is not an 'East Asian' country. This was cited as the primary reason by a majority of respondents as to why Australia should not be in an East Asian regional community. [44] Commonly-held perceptions of 'East Asia' in South Korea include only China, South Korea and Japan, and occasionally also include the ASEAN states. [45]

For many South Koreans, the notion that Australia is part of the East Asian region invokes humour and bewilderment at best.[46] A minority recognise that Australia could one day become part of East Asia, noting the fact that Australia has transferred from the Oceania Football Confederation to the Asian Football Confederation, and is recognised by the Fédération Internationale de Football Associations (FIFA) as being part of Asia.[47] But to most South Koreans, Australia is still considered part of the 'Oceania' region—a region that is ironically often bundled together with Southeast Asia in research institutions' organisational settings.

However, an even more troubling perception of Australia in South Korea is its near obscurity in the minds of most South Koreans. Australia is popularly perceived as an idyllic holiday destination, a relatively inexpensive location to study English, and a highly efficient agricultural producer. However, there is little knowledge of Australia or the potential of the Australian economy beyond these perceptions.[48] This can largely be attributed to the nature of the economic, strategic and political relationship. Natural trade complementarity and Cold War links to the United States ensured that few disagreements divide South Korea and Australia and that common interest on the international scene saw them stand side by side more often than not.

The strength of the Australia–South Korea economic relationship is disproportionate to the effort invested in it by both governments. Australia and South Korea have enjoyed a highly successful and complementary trade relationship for over 30 years. Australian raw materials exported to South Korea return in the form of elaborately transformed manufactures, including passenger motor vehicles, telecommunications equipment and televisions. In 2004-05, South Korea was Australia's third largest goods export market and Australia's ninth largest source of goods imports.

Principal Australian exports to the ROK are raw commodities. Coal, crude petroleum, iron ore, non-monetary gold, and aluminium make up the top five export items in terms of value. The nature of these exports necessitates economies of scale that are achievable only by the largest of multinational corporations. Accordingly, the actual number of Australian exporters to South Korea is relatively small when compared to other markets in which exports are considerably more diversified.

South Korean exports to Australia suffer a similar, albeit different problem. The market is dominated by multinationals due to the small size of the market for South Korean exporters. The dominance of Chinese low-end manufactures has also squeezed out smaller exporters that previously operated in the Australian market.

In short, supporting closer relations with a country that is perceived as a non-East Asian, unimportant economic partner that threatens South Korean farmers, is not going to win votes for any South Korean politician. While there are a small number of National Assembly members that support closer economic relations with Australia, there is a much larger and more powerful group that remain opposed.[49] Further, the lobby groups that support closer economic relations with Australia are small and dominated by businessmen with alternative connections to Australia, such as family or alumni ties. Such groups pale in comparison to the well-funded, strongly supported, agricultural lobby groups.

Accordingly, there is very little domestic political support for the East Asia Summit process, with Australia as one of its new members. The potential economic gains are vastly outweighed by the perceived political threat of including Australia and New Zealand.

Conclusions

Constructivism, realism and liberal intergovernmentalism each provide useful explanations of the South Korean approach to East Asian regionalism, although none by itself is adequate. The weaknesses of each theory are balanced by their ability to provide particularly powerful insight into specific aspects of the South Korean approach to East Asian regionalism.

Constructivism provides useful insight into the South Korean preference for limited regionalism. The South Korean perception of an East Asian collective identity extends to closer relations between China, Japan and South Korea, perhaps the APT process, but not the East Asia Summit process. The significant shared understanding, expectations and knowledge that have been built up between those in the APT process since the Asian Financial Crisis should not be underestimated.

To policy makers this would indicate that to be successful, the East Asia Summit process needs vehicles to promote shared understanding, expectations and knowledge. One method could be greater institutionalisation. Alternatively, the East Asia Summit process needs to be provided with adequate time to ensure the formation of a durable collective identity which includes the three new members.

Finally, the East Asia Summit process also needs to interact with other regional groupings. This could be achieved through alignment of East Asia Summit membership with participation in the Asia Europe Meeting (ASEM) process, or by instigating an Asia-Americas meeting process.

Realism provides a useful explanation of state preferences within the East Asia Summit process. The aggressive bilateralism that preceded the Summit, the jockeying for position and the addition of three new members can all be explained by states' desires to maximise power. However, using realism alone to understand the process fails to account for the South Korean decision not to overtly support the entrance of the three new members, or to overtly support the membership of Australia.

For policy makers, this could indicate the need to better demonstrate the potential strategic advantages that the addition of the three new members could bring to South Korea. Greater bilateral coordination, such as occurred between Australia and South Korea prior to the establishment of APEC, would serve this purpose. Similarly, reinvigorating the Australia-South Korea relationship, and firmly establishing it in a post-Cold War context as is occurring between Australia and Japan could further this aim.

Liberal intergovernmentalism provides a good explanation of South Korean preferences for limited and practical economic regionalism. There is no domestic desire for an East Asia Summit that is difficult to manage, or for an East Asian Free Trade Area that would be extremely difficult to negotiate. Understandably, there is much greater preference for limited, politically feasible bilateral FTAs. Liberal intergovernmentalism also gives insight into the failure of widespread public support for the inclusion of the three new members, given the perceived threat to agricultural interests and to the political careers of those who support their entry.

For policy makers this would indicate the need to dedicate substantial focus on institutionalising the East Asia Summit process, creating a manageable multiparty process that achieves distinct, measurable goals for member states. Policy makers should also look to further educate and involve the public in the process—particularly in relation to the three new members.

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