Presidential agenda setting and foreign economic policy: explaining South Korea's delayed application to the CPTPP.

PRESIDENTIAL AGENDA SETTING AND FOREIGN ECONOMIC POLICY: EXPLAINING SOUTH KOREA’S DELAYED APPLICATION TO THE CPTPP

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Introduction

In December 2010, after the two countries successfully concluded the Korea–US (KORUS) free trade agreement (FTA), the United States extended an official invitation to South Korea to join the Trans-Pacific Partnership (TPP). During this period, South Korea rapidly emerged as a hub for FTAs, engaging in negotiations for multiple regional and cross-regional agreements. Apart from the United States, these also included agreements with ASEAN (the 10-member Association of South East Asian Nations) and the European Union (EU). Given South Korea’s proactive approach to FTAs, a decision to join the TPP appeared to be a natural progression. At the time, the TPP was championed by the United States as a “gold” or “platinum”-standard trade agreement. It was expected to both elevate the standard of South Korea’s FTAs by joining the most advanced agreement at the time and bolster its position as a hub of international trade and a middle power. Surprisingly, however, the South Korean government did not make significant headway in joining the TPP.

After the TPP was reconfigured as the Comprehensive and Progressive Agreement for the TPP (CPTPP) following the United States’ withdrawal in 2017, then-President Moon Jae-in (in office from 10 May 2017, to 9
May 2022) attempted to apply to join the agreement but failed. The current president (since 10 May 2022), Yoon Suk Yeol, has not yet joined the agreement despite making repeated claims of intent and despite the strategic and economic importance of the CPTPP being well recognised by the government. According to Ministry of Trade, Industry, and Economy (MOTIE), South Korea’s economic growth can be attributed to its open trade practices, and it is imperative for Seoul to actively engage in shaping global trade norms by joining the CPTPP. Economically, it would help secure and expand the country’s supply chains and export markets.

Against this backdrop, the slow progress in domestic discussions within South Korea presents a puzzle, considering that foreign policies, including trade policies, traditionally fall within the realm of substantial executive discretion, marked by a top-down decision-making process. This has long been evident in South Korea, where presidents, as the ‘chief diplomat’, have enjoyed significant discretion in selecting the country’s FTA partners. In fact, when presidents have prioritised and publicly supported an FTA as a key foreign policy objective, the country has successfully moved forward with negotiations, despite some FTAs facing significant delays during the negotiation or ratification due to strong domestic opposition. South Korea’s first FTA, with Chile in 1998, initiated by President Kim Dae-jung (in office from 25 February 1998, to 24 February 2003), encountered significant resistance from agricultural groups. Despite this intense opposition, the agreement proceeded and came into force in 2004. Subsequent presidents pushed ahead with the country’s long-term goals of negotiating FTAs with larger and more advanced economies, specified in an ‘FTA roadmap’ introduced in 2003. All were initially perceived as challenging. Nonetheless, this strategy led to FTAs that came into effect with the EU in 2011, the United States in 2012, and China in 2015. Notably, the FTA with the United States faced the strongest public opposition in the country’s history but made it onto the president’s agenda and was ultimately concluded.

Given South Korea’s concerted efforts to solidify its status as a trade hub and the perceived strategic advantages of joining the CPTPP, why has the country not been able to formally apply for membership, let alone begin negotiations? What factors influenced the South Korean presidents to consistently list the CPTPP as a foreign economic policy objective, yet refrain from participation while actively pursuing other FTAs or alternative trade initiatives? To date, the literature on South Korea’s FTAs extensively expounds on the factors influencing the country’s FTA approach, emphasising either international or domestic explanatory variables. Others have attempted to link both the international and domestic spheres but with a greater focus on FTA
negotiations than the FTA selection process. Building upon these endeavours, this study aims to explain why certain FTAs have made it onto the president’s foreign policy agenda only to stall by conducting a comprehensive analysis of the interplay between domestic and international variables influencing presidential agendas regarding foreign economic policies.

This article examines South Korea’s progression towards the CPTPP by process-tracing the Korean media, government official announcements, reports, and secondary resources. It further develops a framework of foreign policy attention, to uncover factors and processes that influence presidents’ agenda-setting in South Korea’s foreign economic policy. The article demonstrates that external events serve as catalysts for the president’s engagement with the policy agenda. Yet, the lack of progress with the CPTPP highlights the pivotal influence of the presidents’ agenda priorities and their responsiveness to the domestic audience. From this observation, this research aims to enhance our understanding of South Korea’s trade policy by linking agenda-setting literature with approaches in international relations (IR). It thereby seeks to provide a more comprehensive explanation of the country’s decision-making process in foreign economic policy, bridging domestic and international levels of analysis.

This article is organised as follows: The next section offers a comprehensive review of the existing political economy literature that explains South Korea’s FTA strategy. The third section presents an analytical framework of foreign policy attention to understand presidential agenda-setting processes that shape South Korea’s FTA strategy. The fourth section provides context by revisiting earlier TPP discussions and further explores domestic discourse surrounding the CPTPP in South Korea amidst external changes. Finally, the last section discusses South Korea’s trade policy directions and the implications of the findings.

The political economy of South Korea’s FTA strategy

South Korea’s engagement with FTAs can be traced back to 1998 when the Kim Dae-jung administration announced its FTA Promotion Guidelines. As of June 2024, the country has 21 FTAs in effect with 59 countries, including both regional and cross-regional agreements, the majority of which have comprehensive and in-depth contents. More recently, South Korea has also introduced ‘new generation’ trade initiatives that address emerging issues in trade, such as the Indo-Pacific Economic Framework (IPEF) and the Digital Economic Partnership Agreement (DEPA).
Until the 1990s, however, South Korea, like its East Asian neighbours, did not partake in any FTAs, in contrast to regions such as Europe or North America which actively pursued bilateral and regional FTAs. South Korea, a state that underwent remarkable economic growth over the past half-century through reaping the benefits of multilateralism, steadfastly supported multilateral cooperation under the General Agreement on Tariffs and Trade and the World Trade Organisation (WTO) rather than bilateral FTAs. However, a shift in this stance was prompted by various international factors: the Asian Financial Crisis of 1997-8, the escalating prominence of FTAs worldwide, and the stagnation in multilateral trade negotiations.

After the financial crisis, the country’s broader economic philosophy shifted from state-led developmentalism to market-led liberalisation. Economically, it made strategic sense for South Korea to cultivate a closer economic relationship with the global community through bilateral and plurilateral channels, given the country’s high dependence on trade. In essence, FTAs began to be recognised as a vital foreign policy instrument to assert control over the country’s vulnerability to changes in the international economic environment. Another factor was changes in the international security environment. South Korea’s engagement in agreements such as KORUS and the Korea–China FTA underscored the pivotal role of security considerations amid the volatile regional security landscape, anchoring the country’s political relations with solid trading connections. Moreover, South Korea solidified its diplomatic standing as a middle power by actively engaging in global affairs and assuming an increasingly prominent role in the trade realm, as well as across various other domains.

At the domestic level, the political economy literature has focused on variables including interests, ideas, and institutions. Institutionally, South Korea’s FTA policymaking has been characterised by a top-down decision-making process, featuring the strong role of the president and bureaucratic elites. Under the presidential system, trade negotiating authority is given to the president as the chief diplomat within the limited timeframe of a five-year single-term presidency. The president’s power has been further strengthened since 2001 with the creation of the Ministerial Meeting on International Economic Affairs under the direct supervision of the president, a body intended to reduce intra-bureaucracy conflict and enable more effective decisions regarding foreign economic policy. While the National Assembly does have a role in the FTA negotiating stage, its primary involvement and impact had been concentrated at the ratification stage. Thus, up to the mid-2010s, South Korean presidents actively promoted ambitious regional and cross-regional FTA
strategy, where the presidents and key decision-makers’ ideas and perceptions played important roles.\textsuperscript{24}

Furthermore, the President’s influence in designing trade governance, along with the subsequent impact of trade institutions, has had a substantial impact on determining the efficiencies of South Korea’s FTA strategy. After 1998, trade-related bureaux that were scattered across the different ministries were integrated and re-equipped under the Ministry of Foreign Affairs (MOFA). The newly organised Ministry of Foreign Affairs and Trade (MOFAT) was designated to lead the country’s FTA strategy, known as the FTA Roadmap. The Roadmap, announced in August 2003 under the Roh Moo-hyun administration (25 February 2003–25 February 2008), could thus be advanced with relatively minimal influence from interest groups.\textsuperscript{25} In 2013, however, the trade bureaux were relocated to the MOTIE under the Park Geun-hye administration (25 February 2013–10 March 2017), with the intention of focusing on domestic industries. This institutional shift substantially curtailed South Korea’s trade negotiation efficiency, as the MOFAT’s previous focus on national interests as a whole was replaced by MOTIE’s focus on certain industrial interests.\textsuperscript{26}

Overall, a significant body of research on South Korea’s FTAs has revolved around specific domestic or international factors. Nevertheless, there is a growing trend in studies adopting broader and more inclusive approaches. Those concentrating on domestic variables have incorporated either domestic interests and political leadership or political leadership and trade institutions to elucidate South Korea’s trade policies.\textsuperscript{27} Additionally, some researchers have extended Putnam’s idea of ‘two-level games’ to comprehend the nexus between domestic factors and the international sphere, focusing on negotiation processes and the outcomes of specific FTAs or their chapters.\textsuperscript{28} Building on these comprehensive approaches, this study aims to further fill existing gaps by integrating both domestic and international levels of analysis. Specifically, this research will investigate the FTA decision-making stage alone, drawing insights from the agenda-setting literature, which will be expanded upon in the following section.

**A framework of foreign policy attention and presidential agenda-setting**

The agenda-setting literature has extensively scrutinised the processes involved in the selection of domestic policy agendas, particularly within the United States. Scholars such as Schattschneider, Bachrach
and Baratz, Cobb and Elder, Kingdon, Light, Cohen, and Baumgartner and Jones have contributed significantly to this regard. Conversely, foreign policy has largely remained underexplored in American politics, as well as in global contexts. Recognising this limitation, studies began addressing agenda setting in foreign policy since the late 1990s. However, foreign economic policy remains an overlooked domain, often categorised as “low politics” compared to security issues. An intriguing case study in this regard is South Korea’s application to the CPTPP, as its exploration can unveil the processes by which a myriad of international and domestic forces plays a role in influencing trade policymaking.

This section expands upon Wood and Peake’s work on president’s attention and foreign policy agenda-setting, while also drawing from other relevant literature, to provide a framework to understand South Korea’s foreign economic policy decision-making process within its presidential system. Wood and Peake focus on the president as the primary force shaping foreign policies, traditionally seen as wielding significant power in this domain. Foreign policy, distinct from domestic policy, demands swift action in international affairs, often favouring executive decision-making over legislative deliberation. Moreover, the president holds significant formal powers in allocating resources for foreign affairs and enjoys superior access to information. Given the limited public awareness of the foreign policy landscape, voters frequently rely on the president’s actions in this domain. In essence, pluralism plays a comparatively smaller role and the president’s focus tends to shift in response to external policy events. However, the president remains attuned to the opinions of the domestic audience, particularly regarding foreign policy decisions that attract significant public attention. Figure 1 demonstrates a four-stage framework that illustrates these processes within the context of South Korea.

Figure 1 A framework of foreign policy attention and presidential agenda-setting
Source: Author’s visualisation adapting Wood and Peake’s framework
The first stage is the agenda-setting phase, wherein presidents hold the authority to prioritise issues. As noted by Wood and Peake, presidents must navigate numerous pressing matters and, amidst uncertainties about the future, carefully weigh foreign policy agendas, as they operate within “an economy of attention.” This involves considerations of limited resources, political benefits and costs, and issue severity. Prioritisation stems from two sources: a) the president’s individual motivations and priorities, and b) inertia from the previous administration. For example, President Roh maintained strong personal beliefs that supported South Korea’s pursuit of FTAs in the early 2000s, despite his affiliation with the liberal camp, which traditionally opposed trade liberalisation. At the same time, however, there tends to be a degree of continuity in the country’s FTA strategy. The KORUS FTA, initiated during President Roh’s term, continued to be prioritised and concluded throughout the Lee Myung-bak administration (25 February 2008–25 February 2013). This inertial characteristic emerges due to the substantial commitment and time required in resolving crucial foreign policy issues, upon which the president’s success hinges.

The second stage involves shifts in the perceived significance of an issue relative to others, often triggered by external policy events that capture the president’s attention. Existing foreign policy priorities may change when such events transpire, as the president has limited resources to allocate attention based on their importance. In the context of FTAs, examples might include economic crises, competition from other countries, or the emergence of competitive trade initiatives. Following the Asian Financial Crisis, East Asian countries, including South Korea, actively pursued FTAs. In the early 2000s, FTA negotiations between China, Japan, and Southeast Asian countries prompted South Korea to initiate its own FTA with ASEAN. Since the 2010s, the Regional Comprehensive Economic Partnership (RCEP) and the CPTPP evolved in comparison to and competition with each other, facilitating their negotiations and memberships. As will be demonstrated in the following section of this article, such developments also significantly influenced South Korea’s engagement in the CPTPP. Consequently, the external policy environment prompted a reassessment of existing foreign economic priorities.

The president’s sustained focus on a policy then hinges on the domestic audience’s perception, marking the next stage of opinion generation. At this stage, the government’s actions stimulate opinions among domestic actors such as members of the National Assembly, interest groups, and the public. These actors become more intensely involved when foreign policy gains political attention. Positive attention facilitates the policy but, if not, the president
may abandon a strategically effective policy to appease the domestic audience. Thus, these domestic actors have concentrated on South Korea’s most contentious FTAs, including the Korea-Chile FTA and the KORUS FTA, to garner maximum public attention and influence. However, the extent of their influence also depends on the institutional framework that facilitates their participation. In 2004, following the Korea-Chile FTA and criticism that the country lacked institutional mechanisms to properly involve these actors, the Presidential Directive on Procedures for the Conclusion of Free Trade Agreements was introduced, which stipulates that a public hearing must be held before FTA negotiations can officially begin. While the influence of domestic actors on the FTA selection process remained limited in both the FTAs with Chile and the United States, the institutional framework has been evolving to reflect the growing demand for greater transparency in the decision-making process. Thus, following the KORUS FTA, the Conclusion Procedure and Implementation of a Trade Treaty Act (hereafter Trade Procedure Act) was enacted in 2012 to further enhance National Assembly involvement. Its impact remains unclear, however, and will be further explored in the empirical section of this article.

The fourth stage entails policy decision-making. The president makes a policy decision based on calculations of the political repercussions resulting from selecting the new foreign economic policy. If negative responses dominate the policy sphere, the president may defer pursuing the policy, seeking alternatives or attempting to mitigate domestic responses. Conversely, if responses are predominantly positive, the new foreign economic policy becomes a presidential priority.

The upcoming section will utilise the four-stage framework to provide background by examining the TPP, and then delve into empirical evidence to scrutinise why South Korea’s application to the CPTPP has failed to advance. This analysis will illustrate that despite encountering several external catalysts drawing the presidents’ focus, the added scrutiny from the domestic audience exerted significant political pressure. Consequently, this mounting pressure resulted in the non-pursuance of the CPTPP.

South Korea’s discussions on the CPTPP

The backdrop: application to the TPP, 2010–2017

In late 2010, as US–China rivalry spread into the sphere of trade, the United States invited South Korea to join the TPP. Towards the end of 2011, following the ratification of the KORUS FTA, the Obama
administration expanded its plans to engage with the TPP as part of its “pivot to Asia” strategy. Meanwhile, China was increasing its economic influence across East Asia, first through an FTA with ASEAN in the 2000s and then through RCEP after 2012. In this context, China’s President Hu Jintao, at the Korea–China Summit held in January 2012, urged the Lee Myung-bak government to initiate negotiations on a Korea–China FTA (KCFTA) as early as possible. An announcement was duly made that May.

This series of external developments stirred domestic discussions on whether South Korea should join the TPP. However, the Lee administration did not consider TPP membership an urgent issue. After the tumultuous ratification of the KORUS FTA, the government was no longer enthusiastic about joining another sizable agreement led by the United States. President Lee was concerned that joining the TPP would reignite the anti-US sentiment that had arisen during the KORUS FTA negotiations. Furthermore, internal discussions leaned towards the argument that joining the TPP would not offer a direct, visible economic incentive; South Korea already had bilateral FTAs with key TPP member states, including the United States, and was in the process of negotiating FTAs with Australia, Canada, and New Zealand. The administration instead focused on China, as the president believed that South Korea’s strategic position could be maximised as a hub of FTAs, because it seemed unlikely that the United States, Japan, or China would negotiate FTAs with each other anytime soon. Hence, in light of the president’s priorities and an unfavourable domestic atmosphere, a policy decision was made not to pursue the TPP.

Under the subsequent Park Geun-hye administration, however, South Korea did begin seeking TPP membership. A direct external policy event that triggered this change was Japan’s official announcement of its participation in the TPP in March 2013. Japan’s move raised concerns that South Korea’s first-mover advantages gained through the KORUS FTA and the Korea–EU FTA could be lost due to Japan’s joining of the TPP. Thus, after conducting economic analyses of the TPP, the government initiated domestic procedures, such as holding public hearings and reporting to the National Assembly. In November 2013, the government formally announced its interest in joining the agreement, engaging in bilateral negotiations with all 12 participating TPP member countries, all of whom welcomed South Korea’s accession.

However, the Park administration’s focus was divided between the TPP, the KCFTA and other East Asia–based FTAs, including the China–Japan–
Korea FTA and RCEP. The government’s reluctance regarding the TPP eventually led to the stalling of discussions in 2014. This was primarily attributable to President Park’s motivations, which focused on China and were ultimately aimed at improving South Korea’s relationship with North Korea. This policy priority resulted in a diversion of diplomatic resources away from the TPP. Seoul’s trade negotiation capacity, already hampered by the relocation of the trade bureau from the MOFAT to the MOTIE, was further exacerbated by the diversion of human resources towards the KCFTA negotiations and the implementation of the KORUS FTA and the Korea-EU FTA. As the former Minister for Trade, Park Tae-ho, noted, “a country with few available diplomatic resources, such as South Korea, could not create multiple war battlefields”. Furthermore, President Park lacked a compelling reason to vigorously pursue the TPP, as its pursuit would not have been favourably received at the stage of opinion generation. Thus, the policy outcome was the conclusion of the KCFTA negotiations in 2014, while the TPP failed to progress.

Under the Moon administration, 2017–2022

When the Moon administration took office in 2017, the global economy was facing a rise in protectionism. President Donald Trump withdrew the United States from the TPP and demanded the renegotiation of the North American FTA (NAFTA, now the US-Mexico-Canada Agreement) and the KORUS FTA. In Korea, too, the administration decided to shift its focus to bilateral FTAs and distance itself from the TPP. In April 2018, however, President Moon’s FTA strategy underwent a shift to a two-track approach, involving the pursuit of both bilateral and regional FTAs, specifically focusing on agreements such as RCEP and, what by now had been renamed as, CPTPP. This strategic adjustment followed the formal signing of the CPTPP by 11 countries in March 2018 in Santiago, Chile. After this external policy event, domestic discussions on South Korea’s potential membership began to resurface. However, significant progress on these discussions did not occur until the end of President Moon’s term, for several reasons.

Most importantly, while President Moon expressed interest in the CPTPP, his dedication to this agreement was not prominent during the earlier phase of his term. Instead, the President’s primary focus was on economic diversification through his New Northern Policy (intended to improve ties with Russia, Mongolia and Central Asia) and the New Southern Policy (aimed at South and Southeast Asia). The aim was to
alleviate the pressure stemming from heavy reliance on the G2 countries – the United States and China – given their ongoing rivalry, which was continuing to shape the dynamics of the global economy. Particularly regarding FTAs, President Moon directed his attention to the New Southern Policy, focusing on negotiating in-depth bilateral FTAs with individual ASEAN member states and striving to realise the RCEP. In contrast to the CPTPP, the RCEP did not attract public attention or become politically contentious. While the RCEP, like the CPTPP, technically created an FTA with Japan, it excluded sensitive items such as automobiles and machinery. Furthermore, it has a low level of liberalisation, eliminating tariffs on only 83% of goods between South Korea and Japan.

In the absence of the President’s strong preference for the CPTPP, progress on the agreement was further hindered by Seoul’s stance toward Tokyo at the time. Although President Moon initially held positive impressions about the CPTPP and ordered an examination of South Korea’s potential accession in 2018, he was also convinced that the CPTPP essentially served as a de facto FTA with Japan, and that there would be little incentive to join the agreement without the United States. President Moon’s close association with President Roh, along with his appointment of Trade Minister Kim Hyun-chong, who had previously served as the Minister for Trade under the Roh administration and as a professor at Hankuk University of Foreign Studies, demonstrated that his ideas would be heavily influenced by the legacies of previous policy directions. Under the Roh administration, the president deprioritised the Korea-Japan FTA proposed under the Kim Dae-jung administration in favour of agreements with bigger economies such as the United States and the EU. The unfavourable attitudes towards Japan persisted under the Moon administration. It was in line with this sentiment that it was deemed premature to expose South Korea’s manufacturing industries to competition with Japan.

The two country’s relationship reached a new low in 2018 when the South Korean Supreme Court ruled that Japanese companies must compensate victims of forced labour during the Second World War. Shortly thereafter, the South Korean Ministry of Gender Equality and Family decided to dismantle the Reconciliation and Healing Foundation, which had been established in 2016 to support ‘comfort women’ with donations from Japan. In 2019, these conflicts spilled into economic and security realms. The Japanese government enforced export controls on three chemicals essential for manufacturing semiconductors and visual displays and removed South Korea from its trade whitelist. In response,
South Korea took further countermeasures by temporarily terminating the General Security of Military Information Agreement (GSOMIA) and raising complaints with the WTO about Japan’s export controls.

Due to this background, the Moon administration became concerned that the country’s accession to the CPTPP would face significant hurdles. Japan might, for example, withdraw compensation for those forced labourers or demand an end to restrictions on the importation of agricultural and fishery products from Fukushima (the area affected by the nuclear power station disaster in 2011). Additionally, South Korea would incur the costs of late admission to the agreement by being obliged to fully adhere to the existing rules of the CPTPP rather than shaping them through negotiations. Consequently, the Moon administration maintained a reserved position regarding the agreement. Instead, the government prioritised diversifying South Korea’s market to emerging economies via the New Southern Policy and the New Northern Policy. It aimed to gradually expand South Korea’s strengths from manufacturing into services and other emerging industries to strengthen the country’s position as one of the world’s largest exporters. Along the same lines, the government considered that it should prepare to join the CPTPP under the condition that the United States returns to the agreement. To quote then-Trade Minister Kim Hyun-chong, “There is a possibility that a new form of CPTPP will emerge, which the United States will rejoin … we plan to discuss a joint response to the CPTPP with the United States and work together so that when the United States returns to the CPTPP, Korea can join the agreement in a timely manner.”

The Moon administration began paying greater attention to the CPTPP in 2021, with the election of United States President Joe Biden and the applications from the United Kingdom, China, Taiwan, and Ecuador for CPTPP membership. These external events facilitated the administration’s formal announcement of interest in applying to the agreement in December of that year. However, strained Korea-Japan relations meant Japan took a cautious stance towards South Korea’s involvement. There was also very little time left in President Moon’s term. The abrupt decision to apply for membership reignited the process of opinion generation, further fuelling existing discontent among interest groups, widening the divide within the National Assembly, and amplifying public concern.

Manufacturing industries viewed the CPTPP as, in effect, an FTA with Japan, unlike the RCEP. Joining the CPTPP was expected to have a negative impact on South Korea’s automobile and machinery sectors, in
particular. Opposition from the agricultural and fishery sectors was even stronger, with concerns about facing greater competition from countries such as Australia, Canada, New Zealand, Chile, and Mexico, the removal of fisheries subsidies, the imposition of stricter Sanitary and Phytosanitary (SPS) measures, and potential imports from Fukushima. The rushed announcement to apply for the agreement faced internal criticism and divided the National Assembly for not seeking countermeasures or strategy. On 15 April 2022, the 228th Ministerial Meeting on International Economic Affairs approved a plan to join the CPTPP but the final internal stage of reporting to the National Assembly was not completed before President Moon’s term ended on 9 May. No application was therefore made.

During the Yoon administration (2022 –present)

The Yoon Suk Yeol government took office in May 2022. As of the writing of this article, it remains uncertain whether the Yoon government will try to enter the CPTPP, although the prospects have been more positive compared to the period under the Moon administration. Since the beginning of his term, President Yoon has consistently emphasised joining the CPTPP as a primary agenda in his foreign economic policy. Yoon’s presidential transition committee announced 110 national tasks in May 2022, including South Korea’s joining of the CPTPP and the US-led IPEF, listed as the 98th task under “proactive promotion of economic security diplomacy”. In the same year, December saw the government unveil the “Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region,” outlining joining the CPTPP as part of its goal to “build economic security networks.” Several changes in the agenda-setting process explain the Yoon administration’s consistent support for the CPTPP.

At the initial agenda-setting stage, President Yoon and key decision-makers are prioritising the strengthening of diplomatic relationships with Japan. Furthermore, they strongly support the CPTPP as a policy tool to strengthen its relationship with Japan, while reducing heavy economic reliance on China, which contrasts with the approach of the previous administration. Internally, the president’s appointment of two academics and long-time supporters of the CPTPP and open trade – Minister of MOTIE, Ahn Dukgeun, and Trade Minister Cheong Inkyo – demonstrates the government’s changed perception of the agreement. Minister Ahn, a professor of international trade law at Seoul National University, initially served as the trade minister upon the inauguration of the Yoon
administration and later assumed the position of Minister for MOTIE in January 2024. The vacant trade minister’s position was filled by Professor Cheong Inkyo of Inha University. The president’s appointment of these two ministers, who have consistently advocated for South Korea’s active participation in FTAs and the CPTPP and criticised the previous administration’s lack of involvement in the agreement, indicates that the agreement will continue to be prioritised in the first stage of decision-making process.

Externally, South Korea’s relationship with Japan has undergone a notable transformation. President Yoon has focused on improving diplomatic ties with Japan, strengthening the US-Japan-Korea alliance, and fostering collaboration with like-minded nations amid heightened economic security concerns. As part of these efforts, South Korea took steps to normalise GSOMIA in March 2023. In response, Japan lifted its export controls on South Korea and reinstated South Korea to its whitelist, leading South Korea to withdraw its WTO complaint against Japan. Japan’s position on South Korea’s application to join the CPTPP then changed significantly. Unlike during the Moon administration, when Japan showed discomfort with South Korea joining, Japan’s Ministry of Economy, Trade and Industry considers South Korea as one of the top candidates to join the CPTPP in its new trade map, which emphasises strengthening supply chains and expanding the CPTPP. To quote a Japanese official, “If Korea, sharing the same values of freedom and democracy as Japan and having a sizable economy, pursues membership in the CPTPP, Japan will consider placing Korea among the top countries for joining.”

At the opinion generation stage, another noticeable change is the increased support from South Korean manufacturing industries for the agreement. They are making cooperative efforts to promote the CPTPP with their Japanese counterpart, Keidanren, in the face of intense global competition for high-tech industries. However, the Yoon administration has been cautious about promoting the CPTPP due to continued opposition from agricultural and fishery sectors, the opposition party, and the persistently low presidential support rate (which remains in the range of 30%).

Although the CPTPP has drawn much less public attention compared to the opposition the government faced during the KORUS FTA, resistance from farmers’ groups has posed a considerable challenge. The CPTPP liberalises 96.3% of agricultural goods on average, compared to South
Korea’s existing nine bilateral FTAs with CPTPP member countries, which average 78.4%. Therefore, these groups have been actively mobilising to raise public awareness about the dangers Fukushima imports might pose to public health and food sovereignty, mainly through press conferences and large-scale demonstrations. Since the 2010s, interest groups have increasingly sought closer collaboration with members of the National Assembly, despite the lack of an official lobbying channel or institutionalised mechanism between them. In this regard, the agricultural and fishery groups have exerted pressure on the government by maintaining close contact with members of the National Assembly’s Committee on Agriculture, Food, Rural Affairs, Oceans, and Fisheries. Following the major defeat suffered by the ruling People Power Party in the parliamentary elections in April 2024, however, it has become more challenging for the government to convince the opposition Democratic Party of Korea to co-operate. The Committee members are now predominantly from the opposition party.

Furthermore, the power of the National Assembly has strengthened after the contentious KORUS FTA, which led to the enactment of the Trade Procedure Act in January 2012. Under Article 6 of this Act, the government must report the aims and key content of the FTA negotiations to the Trade, Industry, Energy, SMEs and Startups Committee at the National Assembly before the launch of FTA negotiations, rather than after. The Act has not posed significant obstacles for other FTAs, and there has been continuous demand from interest groups for a greater role in the FTA decision-making process. However, the Act has clearly presented a challenge for the CPTPP due to its heightened prominence in domestic politics. The ruling party’s loss in the April 2024 legislative election is therefore damaging as this Committee is also largely composed of opposition party members; with only 11 out of 30 Committee members belonging to the ruling party. In short, the Yoon administration will face significant challenges in securing the Committee’s approval for its CPTPP plans.

This partly explains South Korea’s shift away from traditional FTAs, including the CPTPP, as FTAs involve increasingly complex domestic decision-making processes due to their treaty nature. Since 2023, the government has been promoting a two-track trade strategy, focusing on diversification of trade partners and addressing emerging trade issues. As the first part of this strategy, the Yoon administration has favoured new forms of trade partnerships such as Economic Partnership Agreements (EPAs), Trade and Investment Promotion Frameworks (TIPFs), and the
American-led IPEF. Through the IPEF, the country aims to strengthen its position as a shaper of new trade rules while promoting EPAs or TIPFs with developing countries to encourage economic diversification in the current world where the pursuit of stable supply chains has become key. The second part of this strategy involves developing and expanding new trade agendas to reflect the country’s economic and strategic position by promoting partnerships on issues surrounding the digital economy, bio industries, and the environment. This new strategy, however, also demonstrates that the government’s preference is shifting towards these trade initiatives. This is partly because of their flexibility as they do not extensively deal with market access and partly because they are easier to negotiate since they do not require approval from the National Assembly.

Conclusion

Through the examination of South Korea’s presidential agenda-setting in foreign economic policy, specifically with the case of the CPTPP, this article has identified several factors that diverted the presidents’ attention away from the agreement. In the 2010s, Presidents Lee and Park focused on establishing an FTA with China over applying to join the TPP. After the CPTPP was signed in 2018 without the United States’ participation, President Moon’s attention was directed towards joining the agreement. However, his priority was the New Southern Policy, and the CPTPP was considered secondary due to its association with Japan.

Another external policy event – the competitive applications from the United Kingdom, China, and Taiwan to join the CPTPP in 2021 – triggered new enthusiasm within the Moon administration for joining the agreement, but the administration faced a pressing deadline to advance its long-delayed application. This pressure stemmed not only from Japan’s unwelcoming stance toward South Korea’s accession, but also from renewed public debate at the opinion-generation stage. The government’s abrupt announcement to join the agreement not only intensified opposition from interest groups and the National Assembly but also garnered unfavourable attention from the public. Up to this point, external shocks and the competition to join the CPTPP were not compelling enough to engage South Korean presidents, as it did not align with their personal priorities and limited diplomatic resources. The significant attention the CPTPP received from the domestic audience, unlike other smaller-scale FTAs, coupled with the lack of support from both manufacturing and agricultural groups, hindered further progress on the agenda.
In this regard, this article has further identified the president’s decision-making process and the factors that may contribute to the country’s application to the agreement under the Yoon administration. Firstly, the President’s consistent listing of the CPTPP as one of the top economic security agendas, along with the appointment of the Minister for MOTIE and the trade minister who are both staunch supporters of the agreement, demonstrate that there is a strong driving force behind the first stage of agenda-setting. At the second stage, the external environment has changed as well, with Japan’s trade policy reorienting its stance towards South Korea’s application to the CPTPP. Thirdly, the manufacturing sector, which previously considered the CPTPP as a de facto FTA with Japan, has instead changed its position to cooperate with the Japanese counterpart, which will help reduce friction at the opinion generation stage.

Nevertheless, it has underscored the strengthened role of the National Assembly and its engagement with interest groups in the stages of opinion formation – a notable departure from past practices where the president wielded considerable authority in selecting FTA partners, including contentious ones like the KORUS FTA. The increased role of the National Assembly has often been overlooked in the existing literature, as there has not been an FTA that has drawn as much attention as the CPTPP since the KORUS FTA. Thus, the examination of the CPTPP case enhances our understanding of South Korea’s more up-to-date foreign economic policymaking process. If an FTA garners substantial attention during the opinion formation stage, as is the case with the CPTPP, pushing for the agreement has become more challenging than it was previously. Thus, while the likelihood of South Korea successfully joining the CPTPP under the Yoon administration has markedly improved compared to previous administrations, the outcome remains uncertain given the sensitivity of the country’s agricultural and fishery sectors and the opposition party’s control over the National Assembly. This analysis highlights the importance of comprehending the interplay between domestic and international factors in shaping the president’s agenda priorities and the formulation of foreign economic policy.

In conclusion, this study has significantly contributed to the South Korean foreign economic policy literature by exploring why the president’s discretionary power and interest during the agenda-setting process does not consistently lead to the pursuit of proposed policies. This research has thereby provided a nuanced understanding of the political economy
of presidential attention and enriched our empirical knowledge of the complexities and dynamics that shape the nation’s international economic relations. Additionally, by linking the agenda-setting literature with perspectives from IR, this study has offered a more comprehensive explanation of the government’s decision-making process in foreign economic policy. This integration overcomes the often-divided literature that tends to emphasise either the domestic or international explanations, providing a holistic understanding of the factors influencing South Korea’s foreign economic policy. Lastly, it has extended the agenda-setting literature, which has primarily focused on domestic policies, especially within the American context, to foreign economic policy. Future studies could further investigate whether the dynamics of presidential agenda-setting in foreign economic policy are applicable in other country cases, expanding the scope of our insights.

Disclosure statement

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NOTES

2. The TPP, which commenced with negotiations between Brunei, Chile, New Zealand, and Singapore in 2005, gained significant momentum when the US, Japan, Australia, Canada, Malaysia, Mexico, Peru, and Vietnam joined the initiative in 2008.
4. Solís, op. cit.


8. Under this roadmap, South Korea’s short-term goals included partners such as Singapore, ASEAN, Canada and the European Free Trade Association (EFTA). These FTAs with short-term partners were considered as steppingstones to prepare FTAs with larger markets, particularly the United States, the EU, and China.


17. Sohn and Koo, op. cit.; Sohn, op. cit.
20. Due to South Korea’s presidential system that includes parliamentary characteristics, the country is sometimes considered to have a semi-presidential system. However, South Korea’s political system has clear elements of a traditional presidential system. In fact, it is often criticised for granting excessive power to the president. Not only does the president have the authority to form the Cabinet, but they can also veto bills, submit budgets, and introduce legislation. This is further discussed in J. Han, ‘Presidentialism with Parliamentary Characteristics’, in J. Han, R. Pacheco Pardo, & Y. Cho (Eds.), *The Oxford Handbook of South Korean Politics*. Oxford Handbooks Online, 2021, pp. 49–67.
22. Solís, op. cit.
27. Choi, op. cit.; Moon and Sakuyama, op. cit.


32. Wood and Peake, op. cit.


34. Wood and Peake, op. cit.


37. Ibid.


40. Ibid.


42. RCEP negotiations were initiated in 2012 among the ten ASEAN member states, China, Japan, Korea, Australia, New Zealand, and India. The negotiations resulted in a pact among 15 member states when it was signed in November 2020, excluding India, yet maintaining openness to India’s potential participation in the future.


44. Wood and Peake, op. cit.

45. Knecht and Weatherford, op. cit.; Yee, op. cit.


48. Y. Kim, op. cit.


53. M. Park, “‘TPP 참여’ 뒤늦게 몸 단 정부 [“TPP participation” the government’s belated interest]”. *Hankook Ilbo*, October 7, 2015, [https://www.hankookilbo.com/News/Read/201510070489864700](https://www.hankookilbo.com/News/Read/201510070489864700) (accessed 27 April 2024); Sohn, op. cit.

54. Park and Cho, op. cit.


60. Park et al., op. cit.
64. Lee, ‘Middle Power and Power Asymmetry’, op. cit.
69. These chemicals include hydrogen fluoride, photoresist, and fluorinated polyimide.
71. Cho, op. cit.; H. Park, ‘김현종 “CPTPP 가입 시 日 강제징용 배상 철회 요구할 수도” [Kim Hyun-jong, “When joining the CPTPP, Japan may ask to withdraw


82. The analysis did not include the discussion of ongoing tensions between South Korea and Japan concerning the Japanese government’s administrative order for Line Yahoo Japan to review its relationship with South Korea’s tech corporation Naver, as its significance to long-term Korea-Japan diplomatic relations remains unclear.


91. Y. Kim, op. cit.

93. At the time of writing, the government is planning to announce a new FTA strategy that incorporates these efforts. However, the announcement has been delayed due to the loss in the April election.