Symmetry and Asymmetry in post Cold War approaches to trade and security in the Pacific Rim.

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I. Introduction

This essay ponders the nature of selected trade and security agreements negotiated around the Pacific Rim after 1990. Our focus stems from what may seem at first glance to be obvious: the fact that trade agreements may or may not evidence similar characteristics to security agreements. These agreements may be bi-or multi-lateral in nature, they may be broad or issue specific, they may be contingent or exclusive, comprehensive or open-ended, and the trade and security dimensions may be linked—but they may not be similar in terms of the organizational approach or strategic rationales underpinning them. Yet in the expert literature, the obvious is not necessarily conventional wisdom.

The literature on the subject of state approaches to security and trade agreements evidences two distinct features. With regard to issue-linkage (that is, tying different foreign policy issues together as a negotiating strategy), it is generally accepted that military allies trade more with each other and are more likely to link their security and trade relationships (Davis, 2004; Long and Leeds, 2001; Long, 2003; Mansfield and Bronson, 1997). Yet the question remains: are trade allies in the post-Cold War era (for example, New Zealand, Chile and Singapore) more likely to enter into military alliances as well? The evidence on that score is inconclusive.

In parallel, the concept of institutional isomorphism posits that states tend to adopt similar, if not symmetrical organizational approaches to their common trade negotiations. They tend to mirror each other’s institutional presentation (and to a lesser extent, internal organization) in order to more sharply demarcate their focus and thereby find substantive ground for agreement (Morrow, 1991, McGiness, 1986). Here the issue is whether institutional isomorphism holds for security agreements in the measure it does for trade agreements, and whether it holds across the two issue areas in the Pacific Rim after the Cold War.

Most of the literature on issue-linkage and institutional isomorphism has concentrated on advanced liberal democracies during the Cold War. What followed the intellectual
progenitors of these schools remains primarily focused on advanced capitalist states under liberal democratic regimes. This leaves out of consideration new democracies and authoritarian regimes, which may or may not evidence similar approaches towards their trade and security negotiations. It omits countries transiting from socialist to capitalist forms of economic organization. It ignores countries in which the transitions have been two-fold: from authoritarianism to democracy and from socialism to capitalism (on this see Armijo, Biersteker and Lowenthal, 1994).

Authoritarian regimes are notable for the centralization of executive authority and concentration of decision-making power in Cabinet, which may make them not quite amenable to adopting isomorphic approaches to negotiations with liberal democracies that have decentralization of authority and institutional checks and balances as basic political tenets. Given their lack of institutional maturity, new or restored democracies may be saddled with the authoritarian approaches of their recent past, thereby finding themselves locked into a negotiating posture or situation that, at least over the short term, requires them to follow the institutional precedents of their immediate predecessors. Moreover, the Cold War era is remarkably different from its successor. Not only did the bipolar balance of power between the USA and USSR and their alliances dissipate, but the abandonment of command economies in the formerly Stalinist world and retreat from state-centered economics in the capitalist world, followed by their substitution with market-steerage policies, saw a fundamental paradigm shift in global trade relations. Coupled with advances in communications and information technologies, this shift has led to an unprecedented opening of discourse across the globe. Thus the context in which regional security and trade occurs has suffered appreciable modifications relative to the Cold War era.

There is a caveat to the seemingly inexorable progression towards institutional symmetry across foreign policy areas. Be it in the form of veto players among the interest groups involved in each policy area (e.g. industrial associations, political factions or social movements), or perhaps more surprisingly, state agencies themselves (i.e. the military), there are actors that may not see benefit to linkage or isomorphic approaches to trade and security issues. It therefore remains an open question as to whether security and trade are necessarily linked or prone to isomorphic approaches in the post-Cold War context.

We do not dispute the general findings of the literature on either subject as they apply to the Cold War and earlier periods. However, we do question whether the approach to trade agreements parallels (much less replicates) that of security agreements in the Pacific Rim after the Cold War. The reasons are many: the generalized recognition of trade benefits versus the variable threat scenarios evidenced by potential security partners in the late 20th and early 21st centuries; the variable nature of the political regimes at play; the different character of the lead institutions, military and civilian, doing the negotiating; the specific goods (military and commercial) being exchanged; the policy areas involved, which may imply overlapping jurisdictions between external and domestic agencies with both security and economic responsibilities (such as in the field of labor market regulation, anti-piracy efforts and working visa exchanges); the rise of trade issues and the relative diminishing of interstate conflicts as overriding policy concerns after 1990, etc.

One way to begin thinking about the issue is to consider that the Cold War was a form of forced interstate cooperation game. Within the bipolar balance of power, the contending
alliance blocs engaged in cooperative trade and security relations in order to bolster their collective defense versus the opposing bloc via their aggregated economic and military power. Trade relations, bi- or multilateral in nature, were nested within the larger collective security frameworks that dominated the defense logics of Cold War adversaries. This changed with the demise of the Soviet bloc, and with that change came a turn in the logics at play in state approaches to trade and security.

After the Cold War the encompassing security logics that obtained throughout the previous 45 years were replaced in two ways. Most broadly, security agreements were downplayed in favor of trade agreements as the main form of interstate connection, as the world entered into a period of market-driven globalization of production and consumption. The nature of security agreements changed as well, with notions of multilateral collective security and deterrence via superior counterforce being replaced by more pro tem bilateral as well as multilateral cooperative security frameworks that addressed regional, national or intramural causes of conflict using confidence and security building measures and emphasizing humanitarian and nation-building roles rather than the combat function of UN or regional security forces. In addition, the threat environment shifted from concerns about inter-state conflict between established national actors to the threat of irregular warfare by non-state actors, the destabilizing effects of failed states, and non-traditional security concerns such as arms, drugs and human trafficking, environmental degradation and spillovers, pandemics, and piracy. Since concerns about nuclear and conventional weapons proliferation and border disputes remained long after Cold War tensions subsided, this had the perverse effect of expanding rather than reducing the threat environment in which many states operate.

Freeing of structural constraints on international trade by the mid 1990s paralleled changes in the international security environment. Renewed emphasis on trade was given momentum by the Uruguay Round (1992), which called for easing of trade restrictions and a generalized liberalization of global currency and commodity flows. This was abetted by exponential advances in information technologies and access to them, which facilitated cross-cultural exchanges on multiple dimensions in a manner never seen before (from the personal, through the entrepreneurial to the governmental).

Approaches to trade proliferated along with increasing interdependence. With the U.S. leading the way, trade-dependent countries have taken an active interest in pursuing bilateral and multilateral preferential trade agreements (PTAs, often called Free Trade Agreements) with neighbors as well as geographically distant trading partners.1 Fred Bergsten, Robert Zoellick and others have justified sectoral and regional PTAs on the grounds of sustaining the negotiation momentum of liberalization in face of the intractable politics of the Doha Round of WTO negotiation.2 However, as the American troubles with sectoral liberalization through the APEC forum in the 1990s suggest, the relative ease of negotiating with few partners and over limited products may come at a significant cost of further liberalization at the WTO level.3 In any case, bilateral FTAs have generated considerable momentum and we will consider whether the “contagion” or “bandwagoning” effect is uniform or if deep-rooted national differences remain.

1 See Aggawal and Koo (2006); Aggawal (2006), and Aggarwal and Espach (2004).
3 Aggarwal and Lin (2002); Aggarwal and Ravenhill (2001).
The double paradigm shift in international affairs at the beginning of the 1990s had the concrete effect of loosening two exogenous structural constraints that broadened the political opportunities presented to national actors in pursuit of their foreign affairs. It seem reasonable to assume that with trade opportunities and security threats expanding on new fronts in the 1990s and 2000s, states would seek to address them via new diplomatic agreements as well as by reaffirming or deepening pre-existing alliances. It is fair to assume that this widened political opportunity structure juxtaposed the variegated organizational approach of different states towards trade and security issues. The question is whether they linked their approaches to the two foreign policy concerns, and whether they adopted similar institutional approaches to their negotiations.

The Pacific Rim encompasses mature and new democracies, authoritarian regimes of various stripes, and so-called hybrid regimes in which electoral mechanisms for leadership selection are combined with wide-ranging state powers and few if any check and balances on executive authority (on the latter, see Karl, 1995 and Diamond, 2002). Different types of regimes exhibit different organizational approaches to policy-making (Oszlak, 1980, 1981; Buchanan, 1987), and the transition from authoritarian to democratic regimes often carries with it the burden of authoritarian enclaves or legacies, and even pre-authoritarian legacies (Hite and Cesarini, 2004; Buchanan, 2006). Hybrids tend to mix organizational features of both democratic and authoritarian regimes depending on the issue area involved.

Our focus on the institutional approaches to trade and security adopted by different regimes in the Pacific Rim after the Cold War stems from a long-standing interest of political scientists. The translation of theory into practice, or better said, translating policy intent into real policy, requires an organizational capacity to do so. Institutions, in turn, reflect the dispositions, perspectives and power of those who create and use them. That ultimately is why they matter, regardless of the conditions that led to their original configuration. Institutions are created for a reason, to advance or defend defined interests, and to specific effect (Przeworski, 2004). Yet it is often assumed that institutions pursuing similar ends or designed for similar purposes—say, foreign trade or security—will tend to “converge” in terms of their organization and approach. Institutional convergence assumes similarity at the level of political regimes, which clearly is not the case here. The intervening variable of political regime type poses serious challenges to the institutional convergence model. State morphologies in key policy areas may or may not be alike under different regime types, which complicates the negotiations between them on issues of mutual interest.

The combination of loose exogenous factors (in the form of fewer structural constraints on interstate trade and less pressing need for tight security alliances due to the diminished threat of major interstate conflicts and changed nature of the threat environment) and variable endogenous factors (in the form of differences in state organization under different regimes) means that there is additional depth to the two-level game at play in any national approach to trade and security policy-making and implementation (on two-level games, see Putnam, 1988). After the Cold War the overlap between these two levels of play forced alterations in the negotiating strategies and approaches to trade and security adopted by a number of states, including those located around the Pacific Rim. The overall effect was that state approaches to trade and security were no longer forcibly linked or mirrored by balance of power requirements, but instead were disaggregated as separate issue areas or integrated as part of a general
trend of multinational approaches towards interstate relations in an age of globalized telecommunications, exchange and production. Our intention is to see how these trends materialized in the Pacific Rim after the Cold War.

As an example, consider that larger states may prefer bilateral security and trade relations in order to extract specific concessions from smaller partners who seek the overall protections offered by such agreements. Smaller states may prefer the binding nature of multilateral frameworks in order to level the playing field (in terms of rules and regulations) and distribute the costs involved, thereby overcoming the vulnerabilities in trade and security inherent in small size, if not counter-balancing dependency on larger diplomatic and military partners. The reverse may equally be true: smaller states may prefer to pursue preferential security and trade agreements with larger partners in order to secure the markets and protections inherent therein, and larger states may prefer to deal within a broad common framework rather than with individual agreements involving a myriad of smaller partners. States may prefer common markets to bilateral trade agreements, or regional security alliances to country- or task specific approaches to specified threats. The possibilities are many. The important point is that this may lead to variance in approaches to trade versus security negotiations amongst potential partners of significantly dissimilar size, which is the case in the Pacific Rim.

Our interest is not as much focused on whether states link trade and security agreements, but whether the approach to negotiating those agreements is similar or different—that is, symmetric or asymmetric. This may seem counter-intuitive for the issue-linkage and institutional isomorphism literatures, but that is so only because the literature does not recognize that trade and security are, in fact, quite separate issues for some states (for example, very secure states), while remaining linked for others (the insecure). To be sure, most states have grand strategies in which trade and security are part of the overall foreign policy design, and in which coordination between the two approaches at a tactical level is considered and often implemented. It is the specifics of the approach—bi- or multilateral, issue-specific or comprehensive, graduated and incremental versus “shock therapy” or realignment—that is of interest here.

Also of interest is the issue of timing and sequence. In the post-Cold War era, is it the case that nations undertake trade and security negotiations in some type of discernable sequence? Or do they pursue trade and security agreements simultaneously, in parallel, and if so, is there coordination between the agencies involved? Or do they continue Cold War relationships in one area while embarking on new courses of action in the other? For example, given the dislocations caused by the end of the superpower rivalry in 1990, did states in places like the Pacific Rim move first to re-organize their security alliances, or did they prefer to pursue expanded trade opportunities as a priority (thereby relegating security concerns to a secondary position)?

Using examples drawn from selected countries, we examine the approaches utilized to secure Free Trade Agreements (FTAs) and Security Agreements (SAs) in the Pacific Rim after 1990, as well as the general status of security and trade relations of the country sample. We do so because the Pacific Rim has both large and small states, close to and distantly removed from the major conflicts of the late 20th century, with all very much dependent on international trade for their material well being. In order to get a better view of the range of approaches at play, the countries selected include Chile, Colombia, New Zealand, the Philippines, South Korea and Thailand. These countries span a spectrum from large to small, mature democratic to newly democratic (of varying
levels of governmental unity and stability), with primary and primary-derived value added production as mainstays of their economies, variable racial, ethnic and religious demographics, and a common orientation towards exports for hard currency earnings.

One case has traditional security concerns carried over from the Cold War (South Korea), three have internal threats in the guise of domestic insurgencies (Colombia, the Philippines and Thailand), and two do not have pressing security threats (Chile and New Zealand). All of them, albeit to varying degrees, are U.S. security allies and trading partners. All but one of these states are members of APEC, Colombia being the exception. The Asian countries are grouped in various regional fora such as ASEAN and ASEAN Security Community (ASC), the Latin American cases grouped in similar fashion under the umbrella of the Andean Pact, Oraganization of American States (OAS) and Interamerican Defence Treaty (Rio Pact). This makes the sample representative of the constellation of strategic perspectives and approaches at play in the region without running the risk of selection bias that samples drawn strictly from APEC would entail.

The analysis is in four parts. We first provide brief overviews of the countries in our sample, in order to provide context to the discussion. We then chart approaches to trade liberalization and security agreements in the Pacific Rim since 1990, using the country sample. We examine the possible linkages between the two types of agreement in each instance, and the organizational approach of the agencies involved. We offer summary conclusions as to our findings. The survey is designed to offer a theoretical-conceptual overview rather than detailed case analysis (a future project) in order to test assumptions about issue-linkage and institutional isomorphism in these two foreign policy areas.

II. Varying Approaches to Trade Liberalization among U.S. Military and Security Allies

a. Country Synopses

The following section offers brief background notes on foreign relations and domestic politics from the end of the Cold War to the present for the case studies:

1. Republic of Korea (ROK): ROK has faced external threats and internal political tensions stemming from the standoff between the two Koreas. The bedrock of its security alliance with the U.S. was formed from the 1954 Mutual Security Agreement and the 1978 Combined Forces Command. Through the 1990s, ROK worked on improving diplomatic relations with Japan, China, and Russia – eventually involving these stakeholders in the Six Party Talks on North Korean denuclearization– even as its relationship with the U.S. soured under the Clinton and Bush administrations. Elected amidst the turmoil of the Asian Financial Crisis, Kim Dae-Jung embarked on the so-called “Sunshine Policy” to embrace the North Koreans on several non-security fronts, at times setting a pace of negotiation that overtook the readiness of the Bush Administration to accept the proposed overtures. At home, Kim implemented structural adjustment reforms using IMF prescriptions and made some efforts to institute a welfare safety net that could cushion the blows of neoliberal reform. Elected in 2003, President Roh Moo-Hyun appears eager to strike out on his own in creating unique security and

4 Moon and Steinberg (2002); Snyder (1998).
trade approaches even as he maintains support of U.S. military efforts around the world. Since concluding an FTA with Chile in April 2004, ROK has moved toward a multi-track approach to counteract the perceived loss of Korean trade advantages from the global proliferation of FTAs and American, Japanese, and Chinese activism in regional FTAs.\(^5\)

2. Philippines: In the two decades since the fall of the Marcos dictatorship, the Philippines experienced tumultuous democratization. Military factions regularly staged attempted coups against President Aquino and her successors (Ramos, Estrada, and Arroyo), and all post-Marcos governments faced problems in integrating rebel groups of various stripes into the polity amid accusations of rampant public and private corruption. The Philippines and the U.S. were unable to reach an agreement on base treaties in 1991, leading to the complete withdrawal of U.S. forces by November 1992. However, the close security relations established by the 1952 U.S.-Philippines Mutual Defense Treaty (MDT) continued and were reinvented through a 1999 Visiting Forces Agreement (VFA) that enabled U.S. ships to visit ports in the Philippines and to engage in joint exercises. After the 9-11 attack, the Philippines was identified as harboring several terrorist organizations including the Abu Sayyaf Group, which has ties to Jemaah Islamiyah, an Indonesian-based affiliate of al-Qaeda. Since then the Philippines has worked closely with the U.S. in counter-terrorism efforts, with an attendant improvement in bilateral relations (including participation in the US-led “Coalition of the Willing” that sent military forces to occupied Iraq in 2003). However, it withdrew its small troop commitment in Iraq in 2004 upon the kidnapping of a Filipino aid worker, so it is clear that the Philippine-U.S. rapprochement on security issues is not open-ended.

The Philippines currently chairs ASEAN. Using the auspices of ASEAN and other regional organizations, it has been able to achieve an agreement with the PRC and Vietnam on the disputed waters of the South China Sea, allowing these three countries to jointly explore potential oil resources located under the seabed. The Philippine economy is relatively backward and closed compared to other Asian newly industrialized countries including Thailand and Malaysia, but its rich natural resource deposits have attracted the attention of the U.S. and Chinese investors.\(^6\)

3. Thailand: Thailand’s participation in the so-called “third wave of democratization” started in 1988 with the free election of Prime Minister Chatichai Choonavan, but military interventions persisted up to this year’s bloodless coup to depose the allegedly corrupt Prime Minister Thaksin. The bicameral parliament established in 1988 has been replaced with a unicameral version stipulated by the interim constitution and controlled by the military leaders. The Thai economy is heavily dependent on exports, with its three main engines of growth – agriculture, manufacturing, and tourism – running on openness and macroeconomic and currency stability. Thaksin’s “dual track” policy of domestic stimulus and promotion of trade and investment liberalization led Thailand out of the depths of

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\(^6\) [http://www.state.gov/r/pa/ei/bgn/2794.htm](http://www.state.gov/r/pa/ei/bgn/2794.htm)
the Asian Financial Crisis, but in the process provoked domestic criticism that his policies eroded Thai national (economic) sovereignty. This has led to increased emphasis on self-reliance in economic affairs on the part of the military leadership.

Thailand has been designated a Major Non-NATO Ally of the U.S., engaging with the US in mutual defense cooperation since the 1954 Manila pact of the former Southeast Asia Treaty Organization (SEATO). The military coup in September 2006 has upset this relationship, leading to a temporary halt of joint military training and financial assistance as well as the U.S.-FTA under negotiation.7

4. New Zealand: As an established democracy and market economy, New Zealand behaves as a responsible minor power in maintaining a defensive military posture, participating in international organizations, helping developing countries when expedient, and contributing to multilateral peacekeeping forces. New Zealand’s long security relations with the U.S. came under stress in 1984 when the Labour government committed to barring nuclear-armed and nuclear-powered warships from New Zealand ports, effectively stopping port visits by the American fleet under the U.S. “neither confirm or deny” policy regarding nuclear weapons on board. New Zealand’s support for the global war on terrorism is seen in its commitment of troops to Afghanistan and its participation in regional counter-terrorism exercises, but it stopped short of committing combat forces to Iraq, further irking the U.S.8 New Zealand’s trade depends on its efficient agriculture and some value-added manufacturing, and finds an anchor in its Closer Economic Relations (ANZCERTA) with Australia.

5. Chile: Since the transition to democracy in 1990, Chile has the key elements of regime consolidation in place: free and fair elections, an independent judiciary, and institutionalized subordination of the military under civilian command (something that only occurred after former dictator Agusto Pinochet stepped down as military commander-in-chief in 1998). After years of international ostracism under the dictatorship that led to the suspension of military ties with the US and the establishment of replacement security ties with South Africa and Israel (as well as the development of an advanced indigenous weapons industry), Chile gradually re-incorporated into regional security organizations and increased its participation in multinational peacekeeping operations abroad. Applauded in the West for its adherence to neoliberal economic programs, Chile is highly dependent on trade and increasingly on exports to Asia. Accordingly, Chile took a keen interest in free trade agreements of all sorts in the 1990s, exploiting the platform of regional groupings in Latin American and the Asia-Pacific and reaching a landmark FTA signed with U.S. in 2003 – the first for the U.S. with a South American country – which provided for complete duty-free trade between the two economies in twelve years. Chile has associate status with the Mercosur regional trading bloc and starting this year with the Andean Community, and full membership with APEC, G-20 and the Cairns Group. In recent years Chile has stood by the U.S. in pushing for a Free Trade Area of the Americas (FTAA).9

7 http://www.state.gov/r/pa/ei/bgn/2814.htm
8 http://www.state.gov/r/pa/ei/bgn/35652.htm
9 http://www.state.gov/r/pa/ei/bgn/1981.htm
6. Colombia: Colombia has witnessed the ebb and flow of three decades of attempted truce and recurring war between the democratic government and guerrilla organizations flourishing in its rural and remote areas, as well as paramilitary groups, and drug cartels. Through various U.S.-supported counter-terrorism schemes and efforts to incorporate insurgents to normal politics, the Pastrana (1998-2002) and the current Uribe administrations have had mixed success in establishing effective government presence across the nation, at least if the latter is defined as reducing overall levels of political and criminal violence while implementing economic development plans along broadly neoliberal principles. As a major export destination in the Western Hemisphere and an attractive investment destination due to its rich natural resources, Colombia faces liberalization pressures from the U.S. that often run at cross-purposes with anti-narcotics programs designed to curtail an illegal industry that is equal in size to the legal economy.

Along with Bolivia, Chile, Ecuador and Peru, Colombia formed the Andean Community in the 1960s. Venezuela left the group in 2006 in protest over the imminent FTAs between the U.S. and Peru and Colombia. Chile left the group in 1976 to facilitate Pinochet’s own brand of reform, but in 2006 found the pro-U.S. momentum in the Andean Community suitable to its trade aspirations. It applied and gained associate member status that year. Chile already has an FTA with Colombia, and it is not clear what benefits may come with the associate status. Colombia has also broadened its bilateral and multilateral security relations through its membership in the Contadora Group, the Rio Group and the Non-Aligned Movement.10

B. Bilateral and Multilateral Paths toward Trade Liberalization

In the following Chart and discussion, we borrow the definitions of bilateralism, minilateralism, and multilateralism in trade agreements from common usages by international political economists such as Vinod K. Aggarwal and Beth and Robert Yarbrough.11 “Minilateralism” in particular refers to a “bloc” approach of trade liberalization.12 These agreements may be further distinguished between concentrated and dispersed geographical position of negotiating partners, and the nature of agreements may be broadly differentiated between those comprehensive and restrictive in scope, with the former including a multi-product agenda and the incorporation of norms and rules on healthy, safety, environment and labor protection, investment, government procurement, intellectual property rights, and other non-tariff barrier issue areas.

SEE CHART 1 FTAs in Stages and Geography in APPENDIX

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10 http://www.state.gov/r/pa/ei/bgn/35754.htm
11 Yarbrough and Yarbrough (1992); Aggarwal (1998).
12 Yarbrough and Yarbrough (1978).
Countries do not engage bilateral negotiations with similar motivations and success rates. Chile has taken the most aggressive and non-discriminating position toward trade agreements, comparable to Singapore in the East Asian context. Thailand and New Zealand exhibit strategic inclinations to play up their niche roles in addressing the economic forces stemming from China’s rise, but with regard to other trade as well. Thailand positions herself ahead of other ASEAN members in capturing the growing trade and investment flows between China and Southeast Asia with an early agriculture-based FTA with the PRC. New Zealand hopes to be the first advanced liberal democracy to sign a comprehensive FTA with the PRC, something that is expected to happen in 2007. In taking independent initiatives, both countries depart to a notable extent from their most immediate reference group. Thailand is the only country among ASEAN members to hold out on a FTA with South Korea, and is second only to Singapore in signing an FTA with Australia (as well as nearly closing an FTA with the U.S. until the political turmoil of 2006 halted it). Taking into consideration its early agreement with the PRC, Thailand seems to follow Singapore in economically hedging against the potential face-off between the U.S. and China in East Asia.

New Zealand cooperated with Australia in forming the Pacific Agreement on Closer Economic Relations (PACER) with Pacific Island countries that continue to fall under the European influence through the EU-ACP Cotonou Agreement, which replaced the Lome Convention. However, New Zealand arguably stepped outside of the U.S.-centric framework earlier than Australia in forming a four-way FTA with Singapore, Chile, and Brunei – called the Trans-Pacific Strategic Economic Partnership Agreement (2005). In this effort, New Zealand proved adroit in exploiting the context of the APEC Leaders Summit at Los Cobos (2002) in forming an earlier collective identity of the Pacific Three Closer Economic Partnership (P3-CEP). This, along with the head start on an FTA with China, shows New Zealand has exceeded Australia’s preferential trade reach. New Zealand’s entrepreneurial approach may be a way to compensate for the U.S. bias toward Australia (an FTA between the two countries was signed in 2004) as well as the appeal of Australia’s bigger market to overseas investors.

In contrast to New Zealand, Thailand and Chile, Colombia, the Philippines, and South Korea have exhibited greater reservations toward bilateralism. In contrast to the “activist” countries, they have concluded few bilateral agreements and have few ongoing negotiations. Furthermore, South Korea can be distinguished from Colombia and Philippines by her lack of “embeddedness” in a minilateral network of trade negotiation. Philippines and Colombia rely on ASEAN or the Andean Community and the Rio Group, respectively, for collective momentum in addressing high-stake preferential trade deals initiated by bigger trade partners such as the U.S., Japan, EU, China and India. South Korean could count on no such grouping in Northeast Asia, as talks of collective bargaining with Japan and China or an energy community consisting of Japan, China, U.S. and Russia have yet to result in any concrete coordinative action. Instead, ROK mostly reacts to avoid being marginalized by regional initiatives of Japan and China (i.e. ASEAN+X). ROK recently expressed its lack of readiness in entering into FTA negotiation with China due to concerns for its agricultural sector. In comparison,

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13 For a critical view of PACER and Cotonou Agreement, see http://www.bilaterals.org/article.php3?id_article=6369
Thailand’s vulnerability in that sector did not prevent the passage of an agriculture-based FTA with China in 2003.

Second, we note significant variations in conformity to U.S. FTA preferences among its security clients. Of the six cases, only Chile has an existing FTA with the U.S. New Zealand’s bid for FTA with the U.S. – which in contrast to the Australian bid never attained fast-track status – is indefinitely sidelined by the U.S. as a penalty for the Clark government’s reluctance to send combat troops to Iraq and for its non-nuclear policy.16 Bilateral FTAs under negotiation between the U.S. and ROK, Philippines, and Thailand have run aground due to complications arising from domestic dissatisfaction on both sides. Colombia and other Andean Community members, supported by other Latin American countries expressing an anti-U.S. stance through the Rio Group, have resisted the Bush Administration’s attempt to leverage the unilateral Andean Trade Preferences Act of 1991 (later renewed as a Generalized System of Preferences in 2002) into an Andean Free Trade Agreement (AFTA) which in turn would become an important component in the eventual formation of the Free Trade Area of the Americas (FTAA). However, along with Peru, Colombia has signed an FTA with the U.S. this year – although both legislatures have yet to approve it – which has led to a political watershed in the Andean Community with Venezuela’s exit and Chile’s re-entry.

Third, existing and negotiating FTAs vary greatly in their product coverage and inclusion of extra-trade criteria on environmental and labor protection, government procurement, and intellectual property rights, etc. Generally speaking, bilateral FTAs involving China, Japan, and ASEAN/APEC countries excluding Australia and New Zealand tend to be restrictive, while FTAs based on the USTR’s template and involving New Zealand and Latin American countries strive for and are often weighed down by debates over their comprehensive coverage.17 More significantly, compared to the WTO liberalization agreements, these agreements seem to fulfill several roles at once – such as customized and niche country-to-country negotiations in which the parties could pick the issues and choose the form, provisions for long term consultative and dispute settlement mechanisms, and incorporation of security and political priorities, etc.18 The China-centric customized bilateral agreements additionally aim to build encompassing relationships during China’s rise as a regional power.19 As a result, some analysts foresee the rise of two distinct and incompatible institutional modes of bilateral trade liberalization centered on the U.S. and China as two “hubs” in respective hub-and-spoke arrangements, which would impose high transaction costs on future efforts to “nest” such agreements under the regional or global multilateral framework.20 This contrast appears less pronounced in FTAs involving minilateral groups or a minilateral group and a major power - recent negotiations between ASEAN and the PRC show the Southeast Asian group pushing for a comprehensive agreement against the Chinese desire to keep it

16 Vaughn (2005).
17 Banda and Whalley (2005).
restrictive for rapid passage. The ASEAN-Australia/New Zealand FTA under negotiation is also comprehensive in coverage.

In order to account for the above patterns and variations in the countries’ attitudes, success in negotiating, and institutional paths toward FTAs, we turn to domestic and international factors in the following section, as well as turn to the approaches towards security agreements utilized by the countries in question.

C. The Impact of External and Internal Threats on Trade Politics.

Existence of tangible traditional security threats should impress upon policymakers the importance of aligning trade policies in support of security priorities. Therefore, countries facing external security threats will conduct their trade negotiations in coordination with the preferences of their security patrons or military allies and work to reduce the economic capacities of hostile nation-states. In the period of post-Asian Financial Crisis to the present, South Korea, for one, does not fit that expectation. The escalation of tangible external threats in the form of North Korean nuclearization and its associated brinkmanship has apparently had a diminishing impact on South Korea’s trade negotiations. Aside from the humanitarian and political trade with North Korea, trade issues seem increasingly detached from the security concerns addressed primarily through the historically close U.S.-ROK security cooperation and the minilateral paradigm of the Six Party Talks.21

The likely explanation for this de-linkage of trade and security lies in the domestic politics of generational change and different governance styles of Kim Dae-Jung and Roh Moo-Hyun. Inheriting the old political mindset and compromises of the authoritarian era, yet operating within a doubly hazardous environment of democratic consolidation and economic crisis, Kim found himself “isolated by the very power of the office he holds, undercut by regional prejudices, and constantly harassed by opposition party politicians…”22 In contrast, Roh rose to power by pushing aside the old structures and riding on the political attitudes and activism associated with a new generation of voters. On foreign policy issues, the so-called “386” generation thought the Communist threat to be vastly exaggerated by authoritarian politicians, and South Korean dependency on U.S. leadership to be ripe for reexamination.23 Framing this generation’s negative view of the U.S. military presence in Korea is the 1980 Kwangju Massacre, which implicated American consent to military strongman Chun Doo-Hwan’s brutal oppression of protestors.24 This rising nationalism complicated Roh’s trade negotiations. Ongoing negotiations of FTAs with the U.S. and Thailand have been met with increasing domestic discontent. After several failed attempts by the National Assembly to ratify the ROK-Chile FTA, President Roh Moo-Hyun made a rare visit to the Assembly in January 2004 to ask for major parties’ cooperation on the matter. It marked the first time a South Korean president has visited the Assembly for policy coordination on a particular issue.25

23 Paul Wiseman, “S. Korea plays it cool after tests: Reaction is muted while U.S., others condemn North.” USA TODAY, July 10, 2006, p. 8A.
24 “Asian Cover Story: Korea’s Young Lions, They helped catapult Roh into power--and they’re shaking up their country.” Business Week, February 24, 2003.
South Korean difficulties with trade negotiations cannot be understood simply in the context of the overriding security threat from the North, but reflect domestic attitudinal and power shifts stemming from demographic and democratic transitions as well as differences in the governing styles of the past two presidents. In a sense, the South Korean experience supports the constructivist view that external threats shape state behavior through the interpretative framework shared by politicians and key constituents and is affected by dynamic contentions over the relevance of historical memories.

Theories of "strong state" may lead one to expect policy incoherence and reduced external bargaining powers in countries facing internal threats with destabilizing potential. The Philippines, Thailand, and Colombia face domestic insurgencies that challenge the national government's territorial control and threaten to destabilize the democratic regimes in each. However, Thailand seems far more risk accepting and successful in negotiating FTAs than the Philippines and Colombia. The difference may be in part due to unique factors in the relationship between the latter two countries and the United States. The Philippines reversed centuries’ old ties with U.S. by evicting American forces in 1991, only to invite them back in altered form the late-1990s, a relationship that expanded exponentially after 9-11 as Islamist guerrillas stepped up their campaign in the south of the country. Colombia’s relationship with the U.S. largely depended on their interactions in the war on drug trade and narco-terrorism. Between 1995 and 1997, Colombia and the U.S. signed important agreements on environmental protection, civil aviation, asset sharing, chemical control, and maritime ship-boarding agreements. Many of these agreements derived from the close partnership and coordination of the two governments over Plan Colombia. Even so, Colombia and Philippines find trade leverage mostly through collective efforts in regional communities, hence their focus on a minilateral approach.

III. Post-Cold War Security Environment and the Organization of States

A. Recasting security agreements with the U.S. and regional powers

Because the end of the Cold War signaled a seismic shift in international security affairs, Asia-Pacific countries faced a major re-think, if not realignment, of national defense strategies. This process actually began in the Pacific in 1987 when New Zealand invoked its anti-nuclear ban against U.S. warships, which resulted in the end of the ANZUS (Australia-New Zealand-United States) defense treaty in force until then. For other countries like South Korea, the impact of the transition of its national security was lessened by the fact that it was confronted across its border by one of the few remaining Stalinist states. Even so, alliance systems like ASEAN suffered appreciable changes after 1990, as national actors shifted attention to other threats and policy concerns (something evident in the rise of APEC as a challenger to ASEAN as the lead multilateral forum for the region), and the role of the ASEAN Security Community (ASC) took on greater prominence in combating irregular security threats without concern for trade linkage.  

Nations with internal or immediate external threats (South Korea, Thailand, Colombia and the Philippines) prefer to continue or renew (and in some cases deepen) bilateral

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security agreements signed with the U.S. during the Cold War. With the caveats mentioned above, the Philippines and Thailand maintained the security relationships with the U.S. carried over from the Cold War and expanded their bi-lateral counter-insurgency programs after 9/11. Trade was not a consideration when security was the concern, in part reflecting the more regionalized approach to trade adopted by the two countries in contrast to their bilateral position on security relations with the global superpower and traditional military mentor.

In the case of the Philippines, the move to disengage from the U.S. in the 1990s was reversed after 9/11 because of the common interest in defeating Islamic guerrillas operating in or from Philippine soil. In the case of South Korea, the adoption of the so-called “Sunshine Policy” of rapprochement with North Korea led to a distancing of the South Korean and U.S. approaches to the Pyongyang regime even though U.S. troop levels in South Korea remained stable. Thai military cooperation with the U.S. remained at Cold War levels throughout the 1990s and was extended into counter-insurgency assistance after 9/11.

Mired in a 30-year guerrilla war, Colombia increased its bilateral security cooperation with the U.S. via the so-called “Plan Colombia” on two fronts: the war on drugs and fight against the FARC guerrilla movement. This involved the training and equipping of Colombian troops by the U.S. military, as well as US$ 7.5 billion in direct subsidies. The Plan was negotiated by the Defence and State departments but was not directly linked to other substantive issues, much less the Colombian interest in securing a bilateral FTA. As a result, although total levels of (legal) trade remained relatively stable, the amount of U.S. troops and military aid poured into counter-narcotic and insurgency operations increased throughout the last decade of the century, and remained stable thereafter (there are approximately 2000 U.S. military advisors in Colombia, as well as an equal number of intelligence officials, private security contractors and pilots working on behalf of the U.S. government).

Nations without pressing security threats like Chile and New Zealand preferred to engage in bilateral exercise agreements with individual states or smaller regional defense groupings (such as anti-piracy and anti-smuggling naval exercises in the Malaccan Straits). With the end of the Pinochet dictatorship and restoration of democracy in 1990, Chile was able to resurrect its bilateral and multilateral military ties (such as the UNITAS naval exercise program joining several Latin American countries and the U.S.) and became the first Latin American nation to conduct joint naval exercises with Asian partners in the Western Pacific (the RIMPAC naval exercises with the US, Australia, Japan, South Korea and Canada). It continued its military association with South Africa and signed a non-aggression and mutual defense treaty with Argentina, thereby putting to rest decades of cross-border animosities while extending the Chilean military presence into the Atlantic.

Countries without pressing security threats also tend to participate more often in UN peacekeeping exercises both in and outside their immediate theaters (the Chileans in Cambodia and Haiti, New Zealanders in East Timor, Lebanon and Afghanistan). Even so, they maintain close bilateral defense relations with their closest neighbors, New

27 For an assessment of the Plan Colombia see Embassy of Colombia, Washington, DC. “Plan Colombia Implementation Results, August 2001.”
Zealand with Australia and Chile with Argentina. Interestingly, these countries also separated trade and security concerns, a fact very visible in Chile’s refusal to vote for the U.S.-sponsored resolution authorizing the use of force in Iraq when it held a Security Council seat in 2003 in spite of the U.S. threat to withdraw its FTA; and by New Zealand’s refusal to abandon its anti-nuclear stance in order to improve its chances to secure an FTA with the U.S. Not surprisingly, countries with pressing security concerns tended to be less involved in UN missions, and where they maintained close ties with the US, tended to be more directly involved in US-led international military operations (such as the Philippine and South Korean military presence in Iraq) and anti-terrorism operations (such as Thailand and the Philippines). Even so, as the South Korean example attests, issues of trade were not directly or immediately linked to the security requirements of the moment.

One area is which there has been a general trend towards greater multinational cooperation, if not integration, is in the field of intelligence sharing. Once relatively compartmentalized and dominated by the Cold War concerns of the U.S. and its major allies, the terrorist attacks of September 11, 2001 and their sequels re-oriented the intelligences services towards the common threat posed against secular regimes that were also security and trading partners. Only Chile, because of its distance from the Islamist threat (both physically and politically), remains a relative outsider when it comes to intelligence sharing on Islamist activities in the Pacific Rim (although it does maintain close contact with French intelligence services in the South Pacific, which in turn share intelligence with New Zealand). The rest of the sample has seen their intelligence services develop more integrated approaches towards information collection, analysis and sharing in the wake of 9/11, which extends to their collaboration with other regional partners such as Singapore and Malaysia as well as the U.S. and Australia. Even so, with the exception of New Zealand, none of these states have been admitted as “first tier” intelligence partners of the U.S. regardless of their trading status, and New Zealand, which is a partner in the Echelon electronic eavesdropping system (along with Australia, Canada, the United Kingdom and the US), does not receive any favorable treatment on trade issues because of it.

It appears that the intelligence field is functionally separated from trade concerns. National intelligence services in the Pacific Rim, whatever their competence, professionalism, network depth and reach, trade almost exclusively on shared security concerns. They broker intelligence on common threats, but they do not, for reasons of state, share information, much less intelligence, on issues of trade strategy. This is because most trade data is publicly available, but more importantly, because trade policy is made at home and thus proprietary—not to be shared with potential competitors or security partners.

There has also been an increased focus on non-traditional security concerns—pandemics, environmental degradation, mass migrations, de-land mining efforts etc. Although embryonic, all of the states in this sample have begun to integrate security assets with other agencies and foreign militaries in order to confront so-called “human security” threats. This includes the use of military medical teams to treat epidemics and

promote disease prevention, use of military engineering units to counter environmental hazards such as chemical spills in waterways, use of multinational military forces to provide humanitarian relief and nation-building in disaster zones (such as the post Tsunami efforts undertaken by regional militaries in the Indonesian province of Aceh in 2005), to prevent human tragedies from occurring in illegal migration incidents at sea, and to counter piracy and smuggling. This has involved inter-agency cooperation at the national level and international cooperation amongst security and other related services within the region.

B. Organizational Factors Affecting Security and Trade Linkages

Can institutional dynamics temper the impact of external or domestic security threats on trade politics? We argue in favour, but not necessarily in the casual direction predicted by convergence theory or institutional isomorphists. The reason is that political regime characteristics and prior regime legacies have direct implications on a country’s organizational approach to policymaking. South Korea demonstrates the importance of these factors in shaping the policy orientation of different governments. The Thai, Philippine, and Colombian cases reveal the disruptive effects of regular military coups and domestic insurgencies on the executive’s flexibility in trade negotiations. Chile provides an example of where pre-authoritarian and authoritarian legacies colored post-authoritarian approaches to security politics. None of these factors necessarily led to success or failure in the two-level game of trade bargaining, or say much about the country’s choice of bilateral, minilateral, or multilateral means of market-driven liberalization. Yet in their combination, the bases for asymmetry towards trade and security were made

Better explanations for asymmetry can be constructed by mixing domestic organizational factors with international ones. Two dimensions of international organization are of particular relevance – the relative size of the trading partners and organizational field in which their transactions are embedded. Power asymmetries affect the interpretation of relative vulnerability and sensitivity in trade agreements. Our six cases suggest that when in a position of relative strength as measured by traditional military and economic variables, countries attempt to impose preferences with little room for compromise. For example, ROK insists on safeguards and limitations on access (e.g. rice) for Thai export of agriculture products, leading to an impasse in negotiations. Chile is another case of relative strength, due to its sustained economic growth throughout the 1990s which, among other things, allowed it pursue a bilateral FTA with the U.S. while resisting full entry into the MERCOSUR regional common market (which has a more powerful economic partner in Brazil) at the same time that it deepened relations with the other members of the Andean Pact (because of its relative strength in that forum).

In contrast, a country’s position of weakness or dependence tends to provoke strict adherence to the ongoing security frameworks and domestic resistance to FTAs. The deciding factor is the authoritarian or pluralist structure of the executive branch after 1990. Asian trade politics before the end of the Cold War were nested within security priorities driven by authoritarian-crafted alliances. Things changed in the 1990s. Examples of domestic resistance arising from democratizing societies negotiating with more powerful trade partners include mass protests in the Philippines over signed FTAs with Japan and discussions of an FTA with the U.S. and heated debates in Thailand over

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29 For a sophisticated treatment of the size factor in trade politics, see Ravenhill (2006).
the economic benefits of FTAs in force with China, U.S., and Japan in the past couple of years. On the other hand, a mature and stable democracy in a relatively trade-vulnerable country (e.g. New Zealand, because of its small size, population and isolation, as well as lack of land borders) has negotiated numerous bi-and multilateral FTAs with larger states without impacting on security relations with them or other security partners. Relative political stability allows the New Zealand government to be more externally flexible and less pressured by internal political machinations when it comes to issues of foreign security and trade.

Relative strengths of negotiating partners should be analyzed in the context of the organizational field covering their trade activities. In the sociological institutionalism literature, the field of policy analysis encompasses competitors, regulators, suppliers, and consumers that collectively “constitute a recognized area of organizational life.” If the literature is correct, competition over material resources and political power and legitimacy bring actors’ actions into convergence or “isomorphism.” In our context, the organization field includes various minilateral and multilateral organizations such as APEC, ASEAN, and the Andean Community, as well as security-related structures such as ARF, OAS, UNITAS and the Non-Alignment Movement. When the Chinese and Korean trade negotiators took a page off the Japan-Singapore FTA in “customizing” their own FTAs, or when Australia and New Zealand formed PACER to counter the European influences in the Pacific Islands, they are engaged in a the “mimetic” process of adopting models to cope with environmental uncertainties. When weaker countries sign comprehensive FTAs with the U.S. based on pressures exerted by the USTR’s to accept a “template,” they succumb to “coercive” isomorphism rather than self-interest (assuming the calculus is collectively rational). Increased institutionalization of regional organizations, denser networking among organizations, and overlapping of non-traditional security and economic agenda in trade forums – witness the importance of human security in recent APEC meetings – may bring about greater homogeneity in the views and actions of national governments. The movement from bilateral to minilateral bargaining among ASEAN states is consistent with this tendency. But the question of symmetry, convergence or congruence of interest, much less institutional approach, remains unresolved.

Of particular interest is whether security and trade agreements have mirrored each other over time for individual countries and between two countries engaged in trade or security negotiations. Given the proliferation of bilateral preferential trade agreements since the end of the Uruguay Round, variations in trade and security agreements need to be fully examined in order to fully address domestic and interstate isomorphism. Looking exclusively at trade agreements, we observe that a state’s choice between comprehensive and restrictive agreement is shaped by shared norms and expectations with reference to other actors in a particular organization (or institutional) setting.

There are some interesting asides to the issue. Restrictive bilateral agreements initiated by China and Japan contrast with the comprehensive ones produced by the U.S., Australia and New Zealand, leading to speculations of two emergent modes of FTAs. In this dynamic organizational field, the most interesting players should be the “activist” FTA-negotiating countries with no preconceived preference for either comprehensive or

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30 Numerous articles on domestic protests and civil societal mobilization against trade liberalization can be found on [www.bilaterals.org](http://www.bilaterals.org)
restrictive agreements. Here we refer to countries such as Chile and Singapore, which potentially could bridge the two templates. In the Trans-Pacific SEP, the ministers of Brunei, Singapore, Chile, and New Zealand announced at the conclusion of negotiations the inclusion of a binding Environment Cooperation Agreement and a binding Labor Cooperation Memorandum of Understanding. Did Chile and New Zealand manage to convince the Southeast Asian partners the desirability of the comprehensive approach? Are such influences transitive, in the sense that as Singapore participates in the ongoing negotiation of the China-ASEAN FTA, does it impart that new preference on other partners? If so, can these critical negotiators help generate pressures for “trading up” of FTAs? Given the focus of this essay, those questions remain to be answered.

Two things stand out in the security field as to how the sample countries approach the issue: regime legacies and threat environments. Countries with legacies of military authoritarianism (Chile, Colombia, Thailand and South Korea) tend to evidence military activism in the construction and negotiation of their security politics, be it internally or externally focused. Civilian defence officials may formally present proposals and sign agreements, but the lead agencies in formulating security policy, both broadly and in specific areas of interest, more often than not are drawn from the uniformed officer corps. Countries with internal subversion or immediate external threats, be it Cold War carry-overs or Islamicist (Colombia, South Korea, Thailand and the Philippines), tend to ally themselves more tightly with the U.S. regardless of the strength of their trading relationships. Countries without pressing internal or external threats (Chile and New Zealand) tend to adopt more autonomous security politics within a broadly pro-Western orientation, and emphasize trade over security in relations with the U.S. as global superpower. Interestingly, while in New Zealand civilian authorities assumed primary responsibility for negotiating security agreements (which would appear natural for a mature democracy with limited security threats), in the Philippines civilians also assumed lead roles in the security field. This may stem from the extensive civilian engagement in Philippine security politics dating back to the Marcos era.

In sum, we argue that, despite our conceptual categorization, bilateral, minilateral, and multilateral options are not independent alternatives in reality, but reflect organizational dynamics of domestic regime types and power asymmetries and competitive pressures in the organizational field of trade and security negotiations. Our cases do not neatly delineate the impact of these dynamics, but reveal patterns that may be tested further.

IV. Conclusion

Although inconclusive due to the small size of the sample and the broad sweep of the survey, this brief overview shows that trade and security are not necessarily linked by states in the Pacific Rim after 1990, nor are the approaches to the two foreign policy issues converging. States with imminent or ongoing security threats, or which put a large premium on defense such as the Philippines, South Korea, Thailand and Colombia, tended to update their Cold War defense alliances whether or not they deepened trade relations with major security partners. Some would call this phenomenon trade and security dependency, especially in the case of Colombia and the Philippines, but the fact is that these states seek comfort under the protective umbrella of the contemporary global superpower and apparently do not look to future balances of power with other potential hegemons (in terms of security) or to the impact of their security relationships on trade. States that do not confront immediate threats were more
consistent in that they tend to uncouple their security relations from trade and Cold War alliance ties even as they expand the number of security partners they operate with (such as Chile and New Zealand).

With regard to the institutional approaches at play, the post Cold War evidence contradicts the literature on institutional isomorphism. Military hierarchies, rather than civilian defense officials, played a major role in negotiating security agreements in all states except New Zealand and the Philippines, which meant that military bureaucracies rather than civilian agencies featured prominently in the (re) negotiation of security agreements of most of the sample. This is important because many of the security agreements were signed with larger democratic security partners in which civilian defense officials and bureaucracies led negotiations, which juxtaposed the organizational approaches they adopted against those of their military interlocutors. That prevented institutional isomorphism from occurring in such instances, although it did allow for some symmetry of approach to regional security with authoritarian regimes like Singapore.

In trade, issue linkage between content matters as well as institutional isomorphism was more likely to occur. Civilian bureaucracies (most often foreign ministries and/or ministries of foreign trade) handled the negotiations, and their organization and staff evidenced similarities in hierarchy and training. Competitive pressures from exogenous forces—other trading blocs, corporate demands for less restrictions on the movement of goods and capital—pushed the move towards organizational symmetry in approaches to trade. Perhaps because the (self) perception of security threats is more compelling than the purported benefits of trade (especially given domestic opposition to opening of domestic markets due to its detrimental impact on local employment), military authorities attempted to insulate security decision-making, including the negotiation of foreign security agreements, from the vicissitudes of electoral politics in both new and established democratic regimes by uncoupling them from discussion about national trade agendas.

Trade agreements tend to be broader in scope, more multinational in character (although bilateral FTAs occurred in all cases), more variegated in terms of subject matter and more open-ended with regard to time frames. Security agreements tend to be more issue-specific (i.e. anti-drug and -piracy efforts, counter-terrorism operations, communications interoperability, humanitarian relief), time-constrained and bilateral in nature (although multinational agreements on specific issues are common in the Western Pacific). The imperatives of global trade appear to push for homogeneity of multinational rules governing economic partners - even as countries tried to create maneuvering room by negotiating at the different levels of bilateralism, minilateralism, and multilateralism – whereas the heterogeneity of security threats and military influence (with the exception of Islamicism in the Western Pacific and Southeast Asia) tend to push more variable approaches to international security relations on the part of the national actors under scrutiny.

What this study suggests is that there is more to be done if an institutional latticework sustaining democratic governance—at least as it is expressed in important areas of foreign relations—is to be established throughout the region. If we accept as true claims that trade and security linkage and institutional isomorphism deepen ties between democratic states and thereby serve as mutual reinforcement for newly democratic governance, then the Pacific Rim after the Cold War serves as a counterfactual. Political
democracy and capitalism are the preferred combination in terms of social organization, but when it comes to pursuing matters of trade versus pursuing security, the twain do not necessarily meet. This may be due to a number of factors, ranging from the diminished threat of interstate violence or the expanding range of trade opportunities in an age of globalization of communications, production and consumption, to differences in regime histories and organizational legacies.

Even so, the multitude of trading arrangements reached after 1990 between the countries in this sample as well as throughout the rest of the Pacific Rim suggests that some level of institutional reinforcement is being constructed that provides common grounds for more peaceful and expanded interstate interaction based on the common belief in electoral democracy and open markets (with the exceptions of the PRC, Singapore and Viet Nam admitted, but noting the process of partial, intra-party liberalization commencing in each). Likewise, the varieties of security relationships in the region suggest common interest in preventative defense and conflict resolution. Yet the reasons why the two pillars of foreign policy appear to be increasingly separated as analytic and practical subjects, at least when compared with the Cold War era, remain unclear. That is the subject of further research, but for the moment it can safely be said that the literatures on trade and security in the Pacific Rim need updating, if not revision.
## FTAs in Stages and Geography

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<th>Countries</th>
<th>Bilateral FTA</th>
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<td>Australia (1983, ANZCERTA ④), Thailand (2005, NZTCEP ⑥), China, HK, Malaysia, U.S.</td>
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<td>2005 Trans-Pacific Strategic Economic Partnership (Trans-Pacific SEP or P4) Brunei Darussalam/Chile/New Zealand/Singapore. (This agreement took effect from 1 January 2006.)</td>
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<td>Chile</td>
<td>Various Latin American Countries U.S. (2004), Brunei, Canada, Korea (2004), Mexico, New Zealand, Singapore, Canada, EU, Panama, China, Japan, Australia, Thailand, India, Malaysia, Colombia, Peru, Vietnam, Thailand</td>
<td>Affiliated as an Associate Member of ANDEAN (Dec. 2006) ⑨</td>
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<td>Columbia</td>
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Note: Denotation of each type of colors
- In force
- Signed
- Negotiating
- Discussion
① EFTA: European Free Trade Association, Composed of Iceland, Liechtenstein, Norway and Switzerland.
② ASEAN is composed of Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.
③ Philippines signed with Japan but not passed in Japanese Parliament.
④ ANZCERTA: Australia New Zealand Closer Economic Relations Trade Agreement
⑤ NZSCER: New Zealand and Singapore Closer Economic Partnership
⑥ NZTCEP: New Zealand and Thailand Closer Economic Partnership
⑦ GCC: Gulf Cooperation Council, made up by Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman.
⑧ PICTA: Pacific Islands Countries Trade Agreement; PACER: The Pacific Agreement on Closer Economic Relations
⑨ ANDEAN: a free trade area has been operational since 1993 and a customs union started operating in 1995 (See: http://www.comunidadandina.org/ingles/trade.htm).

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