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Abstract: *The year 2020 has proven to be quite a resounding for global politics has undergone radical and significant changes leaving deep imprints on the geopolitical landscape of central power politics. This year the COVID-19 pandemic wreaked havoc, bringing about unprecedented scales of bars on the pace of globalization. The U.U.U.ithdrew from Afghanistan after nearly two decades of a bloody war on terror. China consolidated its rise as a new hegemon in the shape of a Regional Comprehensive Economic Partnership. The decreasing influence of the USA has provided China with ample opportunity to register itself as the new rising hegemon of the world. However, it has already established itself as a dominant player on the chessboard of Asian politics. The consolidation of RCEP as a new emerging economic bloc has cautioned the west of its diminishing influence and shrinking markets. It has opened up many prospects for South Asian countries, especially India and Pakistan, to embark upon a trade boom economic development depending on their choice of joining it.*

Key Words: China, RCEP, USA, Pakistan, India, Asia, World Politics, Regional Integration, Bloc, The Geopolitical Landscape

JEL Classification: E32.

Introduction

Regional Comprehensive Economic Partnership is the most significant global economic bloc. Being a free trade agreement, the leading nations of the Asia Pacific region like Australia and New Zealand, including countries of the Association of Southeast Asian Nations (ASEAN) led by China, have entered into this landmark agreement. (Yu, 2019) Together, these countries account for approximately 30 percent of the global population, making it around 2.2 billion people within the range of this agreement. The group of the countries accounts for 30 percent of the worldwide GDP. This amount of 30

percent altogether stands at 29.7 trillion dollars. (Alastair, 2019) These statistics demonstrate that RECP, by any means, is the largest trade bloc in the history of the world. It is the first trade, including all the Asian economic giants like China, South Korea, Japan, and Indonesia. This landmark agreement was signed in Hanoi, Vietnam, on the 15th of November, 2020. (Ferrantino, Michael, J., & Maryla, M., et al .2020)

Although the agreement was finalized in 2020, it will come into force by 2023, and till then, any separate customs territory is permitted to join the bloc. So far, out of the 10 ASEAN countries, seven of them have ratified

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the treaty, and the other non-ASEAN five members have approved it. ([Ferrantino, Michael, J., & Maryla, M., et al 2020](#))

With the advent of the COVID-19 pandemic, in which the entire structure of the globalized world has been compromised, China found enough economic space to maximize its strength and influence. Unlike the U.U.U.nd European trade giants, who have witnessed a decline in their trade due to the COVID-19 pandemic, the international political circumstances favored China as it was least affected by the crucial multidimensional impacts of the pandemic. ([Pomfret, R. \(2021\)](#))

In addition, a trillion-dollar fiasco for the U.U.U.nin shapefop of the war on terror further overshadowed the credibility of the U.U.U.ominance and influence in Asia and the Middle East, which also equally affected its trans-pacific relations. ([Pomfret, R. \(2021\)](#)). "gionalism and the Global Trading System. *World Economy*. 44 (9): 2496-2514. ([Pomfret, R. \(2021\)](#)). The US has consistently engaged with the Southeast Asian nations to keep China at bay. It became a pioneer of the QUAD and other leading organizations to save a vigilant eye on the Chinese trade and naval activities, the withdrawal of the former from Afghanistan, coupled with the failure to contain the COVID-19 pandemic at home, has triggered a retreat from the U.U.U.[Corbin, L., & M. Perry. \(2019\)](#)

This retreat allowed China to expand its wings and break the shackles of containment. If this bloc becomes fully functional within ten years, it will contribute 186 billion dollars to the regional trade and a 0.2 percent increase in the member states' economies. However, certain critics from the west believe that this bloc will benefit China, Japan, and South Korea at the expense of the others since they are already well-established markets with influential local manufacturing firms. ([Alastair, 2019](#)). Their trade output to the region is also higher than the other member states. They anticipated that overwhelming anti-China sentiments in the parliaments of some countries would hamper the ratification of the agreement, but the case on the ground has been the opposite. This agreement is

undoubtedly a serious challenge to the global dominance of the U.U.U.which has been ruling the international arena with total impunity since the fall of the Soviet Union. ([Asle, T. 2018](#))

What is RCEP?

RCEP has the potential to contribute 209 billion dollars to world incomes and half a trillion dollars to the trade market by 2030. Regional Comprehensive Economic Partnership is the latest Chinese strategic adventure in the Southeast Asian region, a repulsive tactic to counter the USA's old and decaying containment policy. ([Pomfret, R. 2021](#)) During Cold War, USSR was an eyesore to the might of the U.U.U.s the former was the only power in the world to challenge the latter on every platform.

The status quo changed with the decline and eventual dismemberment of the former Soviet Union. The U.U.U.merged as the world's sole superpower with no other country to challenge its might and supremacy. Like global politics, the rise of an opponent with equal or superior potential is always resisted, and attempts are made to contain its peak in every means and way possible. The zero-sum game is seen to its zenith in international politics ([Yu, 2019](#)).

One of the main features of the bloc is to reduce the trade tariffs among the signatory natures and reduce red-tapism. ([Petri, P. A., & Michael, G. P. 2016](#)) The bloc also regulates the international supply chains concerning the bloc members. However, as the critics have observed, it does not contain any features dealing with human rights, sustainable development, and protection of the environment and labor union issues. It also does not include any features for subsidies of the governments. It does not establish unified standards for the labor unions and their rights. ([Gul, N. & Yasin, H. M. 2011](#))

Even before RCEP, the member countries of ASEAN had free trade agreements with each other and outer states. Still, there were limitations to the arrangements. The most critical restriction that often hindered their trade was the objection that their products

bore the marks of being produced in another country. ([Fontagn, L. & Four, J. 2013](#))

The purchasing groups often had the objection that the products were made partially in other countries for the very reason they imposed tariffs. Certain products are partially manufactured in other countries or, in other words, parts and devices are imported from other countries, thus, bearing their marks. These all goods faced tariffs despite having free trade agreements. The FTAs did not protect their interests and did not certainly protect the goods from being imposed with tariffs. ([He, F. & Yang, P. \(2015\)](#))

With the advent of this bloc, all the member countries are equal and free of tariffs. However, this bloc engages with all the parties with equal treatment and removes all these hurdles. Since now all the countries are from the same bloc, bearing the marks on the goods will not matter for them to fear tariffs. It gives all companies within the domain of RCEP to take advantage of the incentives and increase their production volume within the trade region rather than looking outside. ([Kawasaki, K. 2015](#))

When the matters come for the companies to look within the region for trade and production, it means the direct outcasting of the foreign companies reducing the reliance of the local companies on the USA and the western countries. It is a win-win situation for China and a loss-loss situation for the U.S. First, the blow of retreat in Afghanistan and now RCEP. The U.U.U.s seriously crippled, and its position as the dominant force in Asia is dwindling. ([Fukunaga, Y. & Isono, I. \(2013\)](#))

An Asia Centric Bloc for the Post-Pandemic Economic Order

One of the main significant points of RCEP is concentration in Asia. Since the age of decolonization, the global economy has been controlled by western countries, and the economic model has been western-centric, but RCEP is a promising organization that has the potential to shift the center of the economy to Asia and also bring China on top of that

order. ([Ferrantino, M. J., & Maryla, M., et al. 2020](#))

The new bloc poses a threat to the U.U.U.conomic dominance in Asia. If RCEP becomes fully functional, the USA will lose 5.3 billion dollars annually as 35 U.U.U.irms at the moment provide goods to Japan would lose their market. The U.U.U.ears that Chinese industries would take over the Japanese markets instead of its firms, causing massive economic loss to the former. This bloc will give China free and direct access to exports markets of all the member countries, which is something the U.U.U.annot afford at the moment. ([Gilbert, J. 2017](#))

China's free access to export markets of Japan and South Korea would deprive the U.U.U.f its key allied markets in the South China Sea on whom it relies extensively. China will primarily benefit from accessing these export markets for its vast manufacturing supply chain. The U.U.U.annot afford to lose its markets in Southeast Asia to China. A change in global trade and political supremacy is in the offing as the new bloc is likely to alter the dynamics of economics in Asia. The low-income countries which are members of the bloc can benefit from Chinese manufacturing supply chains. They can also benefit from the 90 percent reduction in the mutual trade tariff. ([Feldman, M., Vignolo, R. M., & Chiffelle, C. R. 2017](#))

The Asia bloc and Pakistan

There is plenty of scope for Pakistan to boost its trade vis a vis the RCEP. It is quite unfortunate that despite having traded in all the policy priorities and getting Hitchcockian suspense among the people of Pakistan, trade has not overlapped to its full potential. Even smaller countries like Costa Rica have entered into giant trade agreements where 80 to 90 percent of the entire consumption goods of Costa Rica come through trade; it has established free trade agreements with over 50 countries in its neighborhood region and beyond. ([Afraz, N., Khan, U., & Hussain, S.T. 2019](#))

But ironically, Pakistan has failed to show the same treatment to trade as Costa Rica has

done. Pakistan has so far worked on its trade threshold in the regional capacity and has not done anything consolidated to cement its trade commitments beyond its region. Though Pakistan has been able to reach out to the E.E.E.or its preferential treatment with the E.E.E.n trade, there is a brilliant opportunity for Pakistan to avail of the comprehensive investment environment of RCEP. ([Khan, M. A., Zada, N. & Mukhopadhyay, K. 2018](#))

With its outreach to countries like Pakistan, it is quite a brilliant opportunity. RCEP will genuinely be an Asian bloc if it deepens its steps in South Asia, which, though having a small contribution to regional trade, does have the potential to convert into a giant region from the economic perspective. What matters the most here is the flexibility of the RCEP rules to encapsulate countries like Pakistan to see more and more benefits and provide more and more opportunities to the weaker countries to strengthen the dominant position of China in the bloc. ([Ali, S. 2015](#)).

One of the primary features of this bloc is that it has provided all 15 countries with high-quality and mutually beneficial trade partnerships. Free Trade Agreements under the auspices of RCEP offer many incentives to Pakistan to flex its economic muscles and benefit from them since it can. If Pakistan wants to become a bloc member, it has to demonstrate some trade liberalization in the domestic sector to attract the bloc's member countries. For Pakistan, regional integration is complex given the miserable economic performance amid the more arduous IMF conditions. However, the more Pakistan delays being a part of the economic blocs abroad, the more difficult it becomes for Pakistan to leave this trap. ([Corbin, L. & Perry, M. 2019](#))

China, too wants countries like Pakistan to become part of the bloc, which serves its greater agenda of dominating all the key and strategic routes of Asia if it wants to become an Asian champion in true spirit. In addition to that, China also wants Pakistan to join the bloc to cement its BRI program further. In the eyes of China, all its programs have a single chain that leads back to it where it can easily pull its strings and call the shots. From Pakistan'soint

of view, on the other hand, the partnership of RCEP will indeed witness a significant export boost. The export sector of Pakistan has been in a deep slumber with poor performance for many decades. It is time to translate its dreams of boosting the trade into realization and what best could be the solution if not this bloc. By joining this bloc and with utmost and sincere efforts, the exports of Pakistan can increase by 16 percent, which is by far the most significant boost Pakistan could ever dream of getting from joining a bloc. Some weak areas have to be worked out in the domestic sector to remove the hurdles starting from the basics. ([Afriz, N., Khan, U., & Hussain, S.T. 2019](#))

The marginalized communities of Pakistan have to step up with the assistance of the government. The designated monopolies in the small and medium-sized industrial units have to end, and measures must be undertaken to ensure effective labor. Some investments are made to uplift the people's technical know-how hailing from the rural areas. Corruption has to end, and transparency has to be maintained. Once all these measures are done, Pakistan will capitalize on joining the bloc in the best possible manner ([Ali, S. 2015](#)).

Has the U.U.U.ontainment Policy Towards China Failed?

During the age of mercantilism, the imperialist countries were endeavoring to exclusively control and exploit the markets in the shape of colonies. Among them, Great Britain rose to the zenith of colonial masters and established the largest empire in human history. At the end of the second great war, Great Britain lost its sole position as a superpower. Two other countries, namely USA and USSR, emerged on the landscape of global politics to fill the British vacuum decline had left. The nature of the relationship between the U.U.U.nd USSR was of rivals but was still unique in its outlook. ([Wilson, J. D. 2015](#)).

USSR was endeavoring to reshuffle the democracies worldwide into communism, and the USA was striving to prevent that from happening. In other words, USSR was trying to expand, and the USA was trying to contain it.

Thus, the idea of containment emerged during the Cold War. Whereas the USA was channeling funds and military aid to the allied countries to keep the expansion of the USSR in check, there the other communist countries or Soviet allies were receiving the same treatment. ([Li, Q., & Moon, H. C. 2018](#))

After USSR, the most significant threat to western capitalism was from China. Thus, the containment policy of the U.U.U. towards China is not something new but shrouded in the early years of the Cold War when the U.U.U. recognized Taiwan instead of China and granted it the veto power. For more than half a century, it continued its containment policy. For this purpose, it created new alliances and redefined its strategic relationships with the countries in the Chinese neighborhood. The U.U.U. enhanced its relations with the Central Asian countries, especially with Kazakhstan, where it also leased a military base.

It also enhanced its relations and influence among the countries in the Asia Pacific region, particularly those countries falling near the South China Sea. Strong ties with Japan, South Korea, Vietnam, and Taiwan bear testimony to the fact. The USA increased its relations with India in South Asia as both were arch regional rivals. The U.U.U. took advantage of its hostilities; it entered a civil nuclear deal in 2008. ([Li, Q., Scollay, R., & Gilbert, J. 2017](#))

During the war on terror, the USA wanted to maintain its presence in Iraq and Afghanistan, and the company was also for keeping a check on Chinese activities. Increased U.U.U. relations with Australia and New Zealand in the shape of ANZUS were primarily to keep a close eye on China to prevent its rise in the Asia Pacific. Furthermore, the USA also established naval bases in Diego Garcia and the Andaman Islands, jointly patrolling with India to keep China at bay in the Indian Ocean. ([Ferrantino, M. J., & Maryla, M., et al \(2020\)](#))

Thus, the USA did all the measures with proper calculation to contain the rise of China. However, China continued to expand its influence gradually and steadily, only waiting for the opportune moment that compelled the U.U.U. to leave Kazakhstan's naval base,

Afghanistan, and Iraq. China knew that position of U.U.U. influence had weakened owing to its absence from the region, and it was time to strike back. China is now increasing its influence with multi-pronged strategies. ([Ravenhill, J. 2017](#))

China is using the Belt and Road Initiative to expel U.U.U. influence and keep the countries in its trade chain, using the platform of SCO and BRICS to expand its influence in Asia. On the other hand, it creates a new economic model in the shape of a Regional Comprehensive Economic Partnership. There is no denying the USA's veracity has been unsuccessful in containing China. RCEP is, no doubt, the brainchild of China and a direct countermeasure to Obama's Asia pivot policy in which he had laid the foundations of the Trans-Pacific Partnership. ([Khan, M. A., Zada, N., & Mukhopadhyay, K. 2018](#))

RCEP and the Shrinking U.U.U. influence in the Asia Pacific

From a historical point of view, this agreement was conceived before China's Belt and Road Initiative was undertaken. It was long in the planning of China to push back the U.U.U. from Southeast Asia and extend its influence. When the U.U.U. had defeated the Soviet Union and the latter had dismembered, there were only two potential rivals that could challenge the supremacy of the U.U.U. The first was Islamic. ([Feldman, M., Vignolo, R. M., & Chiffelle, C. R. 2017](#))

U.U.U. knew that within a couple of decades, China would enhance its military and economic capabilities to the equal potential of the U.U.U. For this very reason, it began to increase its strategic influence by increasing its trade and military relations with the neighboring countries of China. India emerged as the strategic partner of the USA and equally aligned to counter China as both of them were arch-rivals of China. On the other hand, the USA also increased its presence in Southeast Asia by bringing its 5th fleet to the South China Sea. It also increased its military presence on the naval base of Guam mainly to monitor the naval activities and the trade activities of

China. ([Feldman, M., Vignolo, R. M., & Chiffelle, C. R. 2017](#))

The USA also entered into a strategic partnership with regional countries like Singapore and Vietnam. They had also complained of Chinese increasing expansionist ambitions in the South China Sea, and they were perturbed over China's growing influence. Thus, the U.U.U.ad utilized all the possible means to counter China, and then the latter was not in a position to challenge. However, the withdrawal of the U.U.U.rom Afghanistan also shook its stakes in other parts of the world. ([Michael, B. 2018](#))

The departure of the U.U.U.as a significant strategic loss for the U.U.U.hen China, with its overriding Belt and Road Initiative, iswasoving ahead and embarking on strategic and trade relations with three continents of the world. This strategic loss of the U.U.U.as well-capitalized by China. The timing of the RCEP is a perfect strategic win for China, coming in at a proper time when the U.U.U.as lost most of its confidence and trust in Asia as a whole.

There is no denying the veracity that the zero-sum game is well enough applicable in the US-China relationship. Since both of them are striving for supremacy, the rise of either side will slide the other down. The USA is striving to maintain its hegemony while China is endeavoring to overthrow the dominance of the USA. This tug of war brought them into a close confrontation in the shape of the trade war that started during the presidency of Donald Trump. ([Serajuddin, U., & Nada, H. 2020](#))

U.U.U.osition and its influence have seriously compromised, and in any way, it does not want to relinquish its dominant position. Therefore, it resorted to the trade war to hurt the Chinese economy with the claims of intellectual property theft and unjust terms and conditions of the Chinese government with the foreign firms that wanted to work in China. Still, these measures also did not prove productive and could not hurt China as the pandemic engulfed the U.US

What makes RCEP such a unique bloc is that it includes a variety of countries ranging from high-income to middle-income

countries. One of the premier conditions of the bloc, which has attracted all the member countries, is that it would eliminate about 90 percent of the tariffs among the signatures within the coming 20 years. In addition to that, it would establish standard rules to promote and deepen e-commerce and promote intellectual property and boost mutual trade. These remarkable features have attracted all the countries of ASEAN, and highly developed countries like Australia and New Zealand have joined them. ([Ravenhill, J. 2017](#))

RCEP: The Indian Factor

India, an insider economy, has a lot to gain from RCEP if political issues are kept aside and economic interests are preferred. India faces problems in the negotiations, which also caused it to halt its membership in the bloc. These are intellectual property rights rules, liberalizing goods and services, and talks over trade. India requires some policy reforms and needs to build some business competitiveness to liberalize its economy further. ([Dhar, B. 2019](#))

One reason for the Indian abstention from joining this bloc is its protectionist policy. What matters the most at the moment is the fact that India wants to prevent its domestic sector from dumping Chinese goods. ([Chandran, D. \(2018\)](#) China is such a large market that India fears that it would dominate and overcome the domestic sector. Another political angle that has kept India from joining the group is that joining this bloc might hurt investments of India with the USA and the European Union. ([Seymour, H., & Jeffrey, W. \(2019\)](#))

China was in the lead in creating this organization. Interesting, during the initial dialogues over the creation of the given bloc, India was also a party to the negotiations. However, when the agreement was materialized, India abstained from joining it. China, along with the other leading members of the bloc, made diplomatic endeavors to persuade India to join it since India is an emerging economy and, no doubt, an Asian economic giant. The bloc left a slot for India

and offered it to join anytime it wanted to as per its preference.

Prospects and challenges for the future of RCEP

Although RCEP has good features, it remains challenging to achieve a 90 percent tariff reduction among the signatory countries as still some members are not very high-income countries. What matters the most is that a lot depends on China to lead these countries toward a modeled economy and assume command of the new Asia-centric bloc that is about to leave deep imprints on the trade trends around the world. The pandemic has changed the entire outlook of the global economy, giving e-commerce a new pace and shape. ([Ferrantino, M. J., & Maryla, M., et al 2020](#)).

On the other hand, mutual trade has been seriously affected, and global trends in the economy have significantly shifted from Europe and North America to Asia. It is an excellent opportunity for post-pandemic Asia to rejuvenate its economic strength and come to the top. This deal can redirect the center of the global economy toward Asia as it was once during colonization. ([Li, Q., & Moon, H. C. 2018](#))

It is indeed an excellent opportunity for the member states of the bloc to reinvigorate their economic policies and benefit from the features of the treaty to its full potential and rebuild their economies in the post-pandemic world. It is a launching pad for the post-pandemic economic recovery. In this recovery attempt, China is taking the bloc's lead in redirecting the center of the economy back to Asia. ([Pomfret, R. 2021](#))

China is also taking the lead in rewriting the trade rules for the bloc. Once the bloc becomes a global success, these rules will eventually dominate the entire global economic structure. Thus, it is a direct challenge to the financial supremacy and dominance of the U.U.U. ([Zhai, F. 2008](#))

RCEP and TPP

Regional integration initiatives have been in

play in the Southeast Asian region since the 1990s, and RCEP under the umbrella of ASEAN is another move in the same direction. However, there remains a challenge since a parallel bloc also exists called the Trans-Pacific Partnership, which has garnered anti-Chinese sentiments of the Southeast Asian nations led by the U.U. This bloc consolidates its base by entering into various agreements with the member countries, and both of these blocs can advance trade connectivity in their manner. Still, they do remain parallel in countering each other ([Feldman, M., Vignolo, R. M. & Chiffelle C. R. 2017](#)).

The USA has a deep interest in keeping China in check in the South China Sea, which is also the primary aim of the USA in its containment policy. Certain countries are playing on both sides, like Vietnam, Singapore, Brunei, and Malaysia. TPP has also created a bloc called Comprehensive and Progressive Partnership, and the countries mentioned above are members of it. ([Jain, B. M. 2019](#))

The primary reason why some countries have taken such divergent positions in the Sino-US bloc politics while the others have taken absolute sides is the fact that despite wanting to improve their trade and boost their economy (for which they require the assistance of China) ([Michael, B. 2015](#)) these countries are afraid of the growing aggrandizement policies of China in the South China Sea. Growing control and influence of China in the territorial waters of the South China Sea and confrontations over the limits of Exclusive Economic Zones by different countries have driven them to the verge of a clash with China. ([Jain, B. M. 2017](#))

For this very reason, taking divergent positions would prove helpful during a crisis time of confrontation with China. These divergent positions also lend credence to the apprehensions that the coherence of the external relations of the member states of ASEAN may get disturbed. If RCEP fails as a bloc, it will undermine the position of China as the growing center of power in politics and damage the centrality of Asian nationalism. Each country that has maintained divergent

positions in bloc politics also has divergent interests. ([Li, Q., Scollay, R., & Gilbert, J. 2017](#))

For instance, Singapore has urged the circumstances to change politics in the Asia Pacific, and it wants to reset the rules of free trade in this part of the world. On the other hand, Brunei has been a limited economy for too long and wants to open up and expand. ([Alastair, I. J. 2019](#)) Its divergent position is motivated by the need to diversify its economy and wants to undergo economic reforms under the umbrella of international trade commitments. Doing so alone might hurt its economy, seeking international obligations. ([Petri, P. A., Plummer, M. G., & Zhai, F. 2014](#))

Vietnam has dual interests. It wants to access the American market, and it also wants security and protection against China in a possible clash on the natural reserves of the South China Sea. Malaysian divergent position is primarily motivated by its ambition to go beyond Southeast Asia and access the American and European markets. ([Cheong, I. & Tongzon, J. 2013](#)) Thus, TPP remains a hurdle and a strong challenge for China to tackle while making efforts to make RCEP a global trade sensation. Therefore, specific prospects can revolutionize the mutual trade and economies and particular challenges that stand to hamper its designs and ambitions. ([Ferrantino, M. J., & Maryla, M., et al 2020](#))

Western Criticism of RCEP

All members in the RCEP stand to benefit from sizable gains from trade tackle non-tariff barriers and the rationalization of its FTF.T. "spaghetti bowl" effect. ([Pomfret, R. 2021](#)) Even the ASEAN members had free trade agreements, but the trade liberalization could not be so profoundly due to different product issues. Still, the spaghetti bowl effect does provide all of the members with the open opportunities to avail themselves of the much larger trade agreements of the free market concept. ([Marc, L. 2016](#))

South Korea is one of the countries to benefit from this bloc among the smaller countries. Given a case in point, the case of the South Korean economy, based on the GDP indicator, refers to a Korean economy ranked

among the top countries, with an average growth in GDP of 0.38%. The same follows for the other member countries as well. Thus, South Korea will benefit from joining this agreement. ([Pomfret, R. 2021](#))

Also, this process will enhance trade facilitation by removing non-tariff barriers between member countries, which has been a sort of hurdle in hampering the FTAs among the member states. Whereas China, Japan, and South Korea are the most notable members to benefit from it, the other less developed and lesser advanced countries have the same advantage. The RCEP for the smaller economies will improve market access, intellectual property protection, and competing power with RCEP member-state-owned enterprises. ([Kung, C. L., & Julien, C. 2019](#))

Consequently, with RCEP, all the smaller countries or member countries with smaller economies can anticipate positive economic and sectoral outcomes by opening to foreign markets with higher quality trade agreements. However, western critics have a different perception of the deal's provisions, especially the provisions concerning intellectual property. ([Ferrantino, M. J., & Maryla, M., et al. 2020](#))

The foundation of the US-China trade war is based on the accusations of the USA toward China for infringing the intellectual property of firms that wish to invest and work in China. The western economic experts have come hard on the provisions of intellectual property in RCEP and are not impressed with it. ([Asle, T. 2018](#)). They believe that the RCEP will fall short of the CPTPP in areas of particular concern to advanced economies. Its intellectual property provisions add little to those most members have already accepted in the WTO or other agreements. ([Yu, 2019](#))

The RCEP does not have chapters on labor, the environment, or state-owned enterprises as the western critics have criticized. It does include a chapter on electronic commerce. Its provisions stipulate that parties will not apply duties on electronic transmissions; these provisions explicitly explain every aspect of the information and

the user tasks. But the treatment of electronic commerce does not appear to go beyond commitments under the WTO. The provisions of RCEP are pretty similar and do not go above the requirements of WTO. ([Christopher, H., & Zheya, G. 2016](#))

Its chapter on customs procedures and trade facilitation will enhance harmonization, regional cooperation, and transparency. And the agreement sets the stage for comprehensive consultations and provides an open enlargement policy. Its market access provisions will set standard terms of reference for regulatory policies and extend national and most favored nation treatment to new sectors. ([Marc, 2016](#))

Provisions on investor-state dispute settlement are not included. Still, they have enough room for improvement, and they can be settled and negotiated no later than two years after entry into force of the agreement. Thus, unlike WTO, RCEP has sufficient space for expansion and is flexible. Smaller countries can benefit from this flexibility. ([Alastair, 2019](#))

Impediments to cross-border data transfers and data localization requirements are prohibited. Still, both are subject to exceptions, and these exceptions have more significant space to be used at a much larger rate than anticipated. If this is practiced widely, then the other states might apply restrictions in the face of their security interests and protection of the given interests. ([Jain, 2019](#))

Nevertheless, the RCEP will be the world's most significant regional trade agreement with meaningful coverage and effects once it comes into force. Despite U.U.U. efforts to contain China and keep it within its sphere, the latter has emerged every single time with greater strength and more significant influence. ([Yu, 2019](#))

The western criticism in its place is duly valid, but RCEP has more room for dialogue and future amendments as compared to WTO. The latter does not stand to get amended or reformed so quickly. In addition, it will offer cumulative, favorable rules of origin (ROOs)

for manufacturers participating in regional supply chains. ([Alastair, 2019](#)) Furthermore, laws of origin resolve the conflicts among the states. It will notably improve the ASEAN+1 agreement by providing consolidated rules that benefit exporters and foreign direct investors. These directives will encourage the other countries within the region and beyond to join it. ([Jain, 2019](#))

Conclusion

Events at the end of the second decade of the 21st century have drawn strength for China to rise as a new superpower in Asia and an equally strong power in the world. Before the pandemic, the world economic order was entirely western-centric and Asia, a significant contributor to global trade, was not influential in policy formulation and decision-making. This organization, though, in its embryonic stage, has a promising opportunity to bring China to the top of the new economic order and allow China to dictate the global economy as per its interests.

The odds favor China since the U.S. role and influence in Asia have declined while China's power, position, and activism have risen. There is no denying that China has declared a victory of multilateralism and free trade over western capitalism, giving explicit indications that this bloc aims to counter all the western ambitions within Asia and the Pacific. It is indeed an excellent move for regional interdependence, especially when the COVID pandemic has swept across the traditional means of tourism, economic affairs, and politics.

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