



The Geopolitical Impact of RCEP- Another Feather to the Chinese Crown?

By:

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February 18, 2021

In the midst of the ongoing pandemic, much hype has been created at the end of the year with the signing of Regional Comprehensive Economic Partnership (RCEP). This trade partnership signed on 15th November, 2020 at a virtual gathering in Vietnam came into being after almost a decade of negotiations. This massive trade accord is one of the largest, which includes the ten members states of ASEAN, putting ASEAN countries in the center and the big economic powers of Asia such as China, Japan, South Korea as well as Australia and New Zealand. Therefore, the pact represents about one-third of the world population and global GDP as of 2020 making it the biggest trade bloc in history.

Much came from the ASEAN member state's unilateral treaties. With each of these ASEAN partners who have come along with one single treaty brings North-East Asia and South-East Asia closer together with more trade

interactions and extending supply chains within the region. The accord certainly deserves an applaud from many respects in an era of trade wars between two major competing economic powers of the world - the US and China, and even at regional level between China and India, which triggers constant trade and investment barriers and the rise of trade protectionism by different states; India being one example, which seemed to have adopted '[vocal about local](#)' as its official policy.

This mega deal integrating world's ten most vigorous economies - the ASEAN countries namely, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam, will stimulate the paradigm shift in the Asian regionalism and will build a normative foundation towards creating a global south international economic order, which has long been dominated by the Westphalian ideas of economic sovereignty [since the inception of post-WWII Bretton Woods institutions created by the global north](#). This regional pact by creating a new regional economic order is also a strong response against populist isolation during the Trump administration which not only had withdrawn from the Trans-Pacific Partnership (TPP) and thereby undermined its strategic goals, but also had the neoliberal foundation of global trade and investment liberalization and it is as well as a response against the globalization backlash, demonstrated by Brexit.

RCEP is also to be understood from the prism of geo-political unpredictability and inherent tensions and conflicts of Asian regionalism and also Asian approach to international economic law. Though Asian regionalism is not something alien, rather it has a glorious past - it has its origin in the Bandung Conference of 1955 held in Indonesia, founding the Non-Aligned Movement (NAM) by the newly independent Asian-African states in solidarity for anticolonial nationalism, as an outcome of their bitter experience of centuries of deprivation and exploitation of colonialism. Therefore, along with political solidarity, the economic perception of global south cooperation was aimed to foster the nationalist ideologies of self-reliance by diminishing reliance of former colonial powers and their allies. The RCEP by including Australia and New Zealand went beyond that conventional global south idea of regionalism, which considered that global south solidarity can only be among countries which had experienced the 'similar kind' of colonial and imperial exploitations.

Doubts have been raised whether RCEP can be a game changer for the region or not; due to many issues such as that, there already exists a good number of Free trade Agreements (FTAs) between these RCEP members (therefore RCEP is not adding something substantially new), some barriers and loopholes still remains, it does not offer [any major breakthrough in new trade issues such as e-commerce](#). It will take some time to see the effects of RCEP, but surely the reduction of tariffs and non-tariffs will stimulate economic growth in the medium-long term. It will take some time to see how the member states benefit and reap the facilities of RCEP. But one impact is certainly visible if seen from the dynamics of geopolitics in the region, that at the moment, China has added an extra point in the game of strategic balance in Asia by clearly maintaining its dominance in the region.

Nevertheless, the critiques are not so enthusiastic of RCEP. A few years ago, the idea of RCEP was viewed as a competitor of TPP, which was a much stronger and more comprehensive type of trade pact, but with the US pulling out of TPP and in the other hand India pulling out of RCEP, China has got the advantage in geopolitics. Many of the member countries of RCEP was interested to go with India, but India pulling out, that opportunity is lost. In India's absence, it is now perceived as a Chinese victory, a nation that has constantly demonstrated that it is always ready to cooperate in the region.

Though China being in the RCEP does not actually make any significant change in the trade pattern in the region nor does is there any dynamics created where China has become central to the economy, since it already is; but nevertheless, it puts China to push that idea of *soft power* in the region which it has been successfully doing. By doing so, China is also signaling the ASEAN countries and other Asian power-house that it is open and has proved its willingness with much more elaborative and collaborative approach in regional cooperation and as a development partner and thereby diluting the influence of its competitor, the US in the region. China is RCEP's biggest economy, and it will continue to have an influential role in the region through this new arrangement and arguably in the absence of India's presence and US policies towards the region without much ado to the changing realities (though that was the situation during Trump administration, it would be interesting to see what the new President Biden does), it will also influence its shape and evolution too.

Even if some might see the influence of China, or be susceptible that it is "CHina" that is leading the forum, it must be admitted that in plain view, primarily RCEP is an accomplishment of an ASEAN centric regional economic integration promoting its strategy of engaging and connecting relevant powers in the same platform, which for the first time included in a multilateral setting China, Japan and South Korea in one frame. It might sound a cliché if one would want to view this trade deal through the prism of US-China rivalry, but it cannot at the same time be denied that practically speaking being the largest and most influential economic power in the block China presumably and fathomably will be the most crucial and influential player in this trade pact. However, only time will say who is going to be the 'influential player', but with the present situation with India choosing to stand outside the block, China surely has got some added benefits.

China has been a crucial actor leading the Global South (along with India) as a global economic power since its open-door policy was initiated in 1978. Based on the ideologies of socialism with a Chinese flavor [Beijing Consensus arguably provides the global south with an alternative model to Washington Consensus, China transforming from a passive participant to a dominant stakeholder on global rule making](#). China's great power status under the principle of "peaceful development" has galvanized to fill the political vacuum created by US isolationism under Trump administration, RCEP will thereby advance China's economic interests in the region due to its long-standing approach to emphasize on south-south cooperation and particularly to implement its Belt and Road Initiative (BRI). India even being a 'super power' in the South Asian region, [is yet to find its place at the core of Asian regionalism as it stands outside the vertically integrated supply chain of East Asian market, it has put itself in a *de facto* isolation from the ASEAN](#). By not opting for RCEP, India has lost the opportunity to enter into business with market access to Australia and China and thereby it has lost an opportunity to materialize its aspiration being recognized as a great power in global rule making.

With the rise of a Sino centric new world order (or a 'new world economic order' if one would like to put it), adding new dynamics to geopolitics along with geo-economics has been like never before. At times, US-China rivalry seems to be overshadowed by assessment, but this trade deal, the largest ever came with ASEAN in the centre. With the damage that Trump administration has done in

its foreign policy in the region recovering it would be a daunting challenge for President Biden, who not only needs to develop a good relation with China, [but revise its dealing with the region through diplomatic correspondence and economic networks, and ensure a security posture](#), keeping in mind that, China has emerged stronger and more poised as ever before with strengthening its ties with its East Asian neighbours. Looking from those lenses, RCEP is another triumph for China.

Strategically speaking these countries would still continue to have a friendly relation with the US to counter the Chinese balance, and not put themselves into a binary relationship with either US or China - But the wind seems to be going in China's favour, in terms of the US influence in the region it is quite evident from the recent remark of South Korea's ambassador to the US, Mr. Lee Soo-Hyuk stating, "[just because South Korea chose the US 70 years ago does not mean it has to choose the US for next 70 years too](#)". We need to wait a few years to see the economic success of RCEP, but for the time being, the dynamics of geopolitical strategy indicates that the RCEP has added another feather in the Chinese crown.

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