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Ba, Alice D.

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TPP, OBOR and ASEAN: Where Will They Lead To?

By Alice D. Ba

Synopsis

In projecting different conceptions of regional integration the Trans-Pacific Partnership and China's "One Belt, One Road" initiatives compete not just with one another but also potentially challenge ASEAN centrality, as well.

Commentary

SOUTHEAST ASIAN states have found themselves engaged by new proactive regional initiatives from major powers. The recently signed, but still to be ratified, Trans-Pacific Partnership (TPP) is one example of the initiative displayed by Washington. China's land-based "Silk Road Economic Belt" and "21st Century Maritime Silk Road" ("One Belt, One Road") initiatives put on display Beijing's proactive engagement and growing confidence.

The TPP, which is nearly twice the size of the EU Common Market in population and representing nearly 40% of the world's economy, promises to be the world's largest free trade area. Meanwhile, the One Belt One Road (OBOR) project promises to connect more than 60 emerging market countries and developing countries and a population of over four billion, a total worth of about US\$21 trillion.

Importance of Southeast Asia in China, US Interests

In these initiatives, Southeast Asian states have been particular subjects of both Washington's and Beijing's attention. In the case of OBOR, Southeast Asian states, compared to their Northeast Asian counterparts, are generally more in need of the developmental assistance associated with China's initiatives. Geographic proximity

also makes Southeast Asian states, especially the continental states closest to China's borders, more demographically and politically linked to China.

As for TPP, though it includes only four Southeast Asian states (Singapore, Brunei, Malaysia, and Vietnam), the US has actively engaged other states in hopes of convincing them to participate. In addition to diplomatic persuasion, the Obama administration has also worked with individual states to develop their governmental and regulatory capacities to pursue more extensive trade commitments as in the TPP.

For both China and the United States, Southeast Asia is important because it serves as the connective link between land and sea, as well as between the Pacific and Indian Oceans. Lastly, ASEAN states represent a large, collective, and symbolic Asian audience for their respective initiatives.

Differentiating Washington's and Beijing's "Regionalisms"

Both sets of initiatives are often conceptualised as "regional" or as instances of "regionalism"; however, as currently constituted, neither, in fact, is "regional" in terms of more conventional usage or current practices of regionalism. Though linked to APEC, TPP is still an agreement comprising 12 states from North and South America, Northeast and Southeast Asia, and also Oceania.

Washington's general position has been that "regional cooperation" should not proceed from any normative commitment to a preset idea of region, but instead from a set of common functional interests and agendas. This does not mean that TPP has not involved local attention from Washington; rather, TPP may be better conceptualised in terms of individual, participating states united by a common agenda. In this sense, TPP may be more multilateral than it is regional.

OBOR, in contrast, is more regional in its assumptions, starting points, and referents in the sense that it more directly engages and identifies regions and subregions already in practice. Moreover, the "regions" involved are both sub-state and inter-state, both sub-regional and regional. On the other hand, China's regionalism is also offset by the considerable bilateralism that has typified China's pursuit of OBOR in practice.

Also setting OBOR apart is its scale and scope. Connecting China and its border regions to all the different Asia's (Southeast, Northeast, Central, South, and West) the Baltics and Mediterranean, Eastern Africa, and the "developed European circle", Belt and Road may be less "regional" than it is "inter-regional" and "pan-continental". This becomes additionally apparent when considering the many, tailored-to-region and tailored-to-state initiatives that constitute "Belt and Road".

Implications for ASEAN Centrality

In short, TPP and OBOR offer some distinct cooperative frameworks. While both aim to expand and intensify connectivity among their participating states, they nevertheless differ in their organising principles and modes of connectivity. The TPP, as a singular homogenising framework, connects different economies around

common rules, common regulatory approaches, and common market access, reflective of market values.

OBOR, in contrast, is a multi-component framework that connects diverse parts, piece by piece, via their common interest in national development. It pursues connectivity not through common economic rules and market liberalisation, but instead through new infrastructure, trade and investment facilitation zones, and targeted development projects.

TPP and OBOR differ not just from one another but also from ASEAN. For one, both transcend the normative-geographic regions that have previously provided the basis for regionalism and helped justify ASEAN centrality. More critically, both differently reorder Asia in ways that make ASEAN and its concerns less central. In the case of TPP, it is open to all in theory but exclusive in practice. TPP also sidesteps ASEAN's interest in bridging developmental gaps. As for OBOR, the bilateralism that has typified China's approach lends to China's structural advantage to set the terms.

At the same time, both initiatives face different challenges. It is worth underscoring that both TPP and OBOR do not yet exist. The TPP is especially dependent on US ratification, but it is a US election year - a time when trade agreements can be as unpopular as China. The realisation of the TPP will depend on the outcome of the presidential election as well as the makeup of the US Congress after the November elections.

Meanwhile, China faces challenges of implementation at both the Chinese and recipient ends of the equation. Achieving OBOR depends on the kinds of resources China is willing to commit, its ability to coordinate and discipline its own domestic agents, and perhaps, most of all, how sensitive China is to not just local needs, but also local sensitivities.

In both cases, ASEAN, as an institution, still has a role to play. Collectively, ASEAN remains an important audience for both initiatives. Maritime Southeast Asia may also be especially important to the realisation of China's Maritime Silk Road. Critically, ASEAN states can expand their efforts to direct Washington's and Beijing's engagement so that they serve and strengthen ASEAN's own, particular regional integration agendas, as well as security and economic interests.

Alice D. Ba is Associate Professor at the University of Delaware, Newark, DE, and a January 2016 Visiting Fellow at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, Singapore under the US State Department Fulbright Specialist Programme.
