China within Institutionalism and Transpacific Relations: Beyond an Economic Agenda

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The following essay aims to analyze the institutional frameworks within the transpacific relations of China. Taking into account that from the interactions between states and economic integrations in the Asia-Pacific region, mainly through the Regional Comprehensive Economic Partnership (RCEP).

In view of, this research is focused on showing that institutions are mechanisms that allow states to maintain their position within the region.

Recent evolution of the Transpacific Relations

Since the late 80’s of last century the interactions of state and non-state actors led to the confluence of different socio-economic processes driven by both state and non-state actors: the emergence of new intergovernmental institutions and free trade agreements in order to encourage trade and investment as a way to deepen economic integration. The background to these processes has been first, the regional powers, such as Australia and Japan, to achieve greater influence in their space, especially in the spatial and institutional reconfiguration of them; second, the attempt of organizations such as “Association of Southeast Asian Nations (ASEAN)” to become the leader of the integration process in the area through the Asia Way; and third, the staggered efforts of the global powers, in the first instance the United States and then China, to create an institutional order according to their aspirations as world powers.

During the 21st century, the international system has undergone a series of changes due to the interaction between the different actors that shape and determine it. These changes have been the result of a series of events and phenomena that have arisen in the second half of the twentieth century. One of these phenomena is globalization, which has transformed the way in which the state is inserted within international relations.

A breaking point to display these two actors, is identified at the end of the Cold War, and the construction of a New International Order where it was redefined the way to

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1 Asian proposal in response to European and American proposals. Becomes an important subject in the 1996 APEC meeting in Osaka.
study the international system, since the "high politics" or military and security subjects stopped being the axis of the relations between the States, giving way to a resurgence of the liberalism through the neoliberalism, where the economic agenda and cooperation began to regulate international relations (Keohane, 1988; Keohane & Nye, 2001). The result of this change, in the long run was to create a complex interdependence.

These two protagonists of the international scene have determined the region and the international system in a complex framework, which, as James Rosenau (1999) points out, is composed of spheres of authority that are not necessarily consistent with the division of territorial space and sovereign states. This context resulted in a transpecificity not only being built on bilateral relations, but also on the emergence of new forms of relations motivated by cooperation, such as forums, intergovernmental organizations, non-governmental organizations, transnational corporations and even the individual himself. These new actors motivated transnationalism within the Pacific Basin, thus promoting a transpacific agenda in two ways: through intrinsic needs and realities, and/or under the influence of external agents that cause sensitivity and vulnerability to the region. In other words, this agenda has been built since the fragment tradition. Part of this fragment tradition is the emergence of regionalisms in the Pacific Basin, which will be discussed below. Faced with this causality, Ravenhill points out that regionalism became a clear strategy in which States preferred to collaborate regionally to achieve goals, rather than globally (2001, p. 33).

The evolution of international economic relations from the structural changes of the international system produced by the interactions of the actors in the eighties and early nineties (the success of Thatcher and Reagan’s economic liberalism as a regime of not only economic but also political and ideological impact, which in turn was reinforced by economic interdependence and globalization, and some events as a wave of economic reforms driven as measures against the economic crisis, the external debt and the economic slowdown) led to the ideal conditions for the promotion of regional trade agreement negotiations at the global level and in the Pacific region. According to Shearer and Tres, countries saw in these types of agreements opportunities to: have preferential access to markets, attract foreign investment, establish peaceful relations, increase their bargaining power in the international sphere, consolidate the reforms that had been carried out within the countries, to have an alternative to multilateralism, increase the level of trade liberalization, and take integration by imitation (2016, p. 21-23).
In the case of the Asia-Pacific region, a starting point for the importance of the various integration processes is that "regional institutions are a construction of States" (Ravenhill, 2001, p. 37). This argument reinforces the idea of centering the State as a determinant in transpacific relations. When this point is combined with the justification of Shearer and Tres with respect to international trade agreements, emphasis is placed on the way in which there is a will and a dynamic built on international relations.

As regards to Asia, there is a historical process of the importance of Japan within the integration of the region. This country is related to the concept of "New Pacific Era", where there is a relationship between cooperation and integration after World War II, as mentioned by Pekka Korhonen (1998, p. 87). This interpretation of Asia Pacific integration dates back to the second half of the twentieth century as a third phase within the concept of the "Pacific Era".

This reinterpretation is linked to a first Japanese-led integration proposal through Kojima Kiyoshi and the Pacific Free Trade Area (PAFTA), which was based on three ideas: "solving the North-South problem in Asia, economic development in the European Economic Community and the internationalization of the Japanese economy" (Terada, 1999, p.2). In this last aspect, on the construction of a Japanese leadership, this proposal implied that Japan created a scheme in which imported key raw materials, and in turn placed their manufactures in the region (Kojima, 1977).

The European experience with steel served as the axis for the Japanese through Nagano Shigeo, who at the end of the 1950s became one of the promoters of the creation of a free trade area in the region (Terada, 2001). However, the Japanese project was not supported by two factors: the trade implications for the United States and the protection of the manufacturing industry in Australia and New Zealand (Arndt quoted in Sen, Roy, & Tisdell, 1997).

However, one of the projects of regionalism that took a new leap forward was ASEAN, which, although it was created in Bangkok in 1967, in this decade a series of objectives towards the Community Economic Review of ASEAN started, in which free trade in goods, services, investment and a more free flow of capital are emphasized in order to create equitable economic development and the fight against poverty and socio-economic disparities. In this case, in 1995 the creation of the ASEAN Regional Forum helped to consolidate its current members, while at the same time laying the groundwork for a strategic dialogue with its main trading partners through the construction of an agenda (Ramírez...
Bonilla, 2012). Also within the region, specifically in Oceania, by 1983 came into force the Closer Economic Relations Trade Agreement between Australia and New Zealand (ANZCERTA).

In this second phase, integration processes were built at the sub-regional level, limiting the trans-pacific agenda to a multilateral scenario through the Asia-Pacific Economic Cooperation Forum. However, it is up to the beginning of the 21st century that the dynamics of trade agreements would change, since prior to the third phase of regionalism in the basin we find a period of "transcontinental agreements" where a series of free trade agreements (FTAs) were negotiated and signed between countries in America, Asia and Oceania, such as the FTAs between Chile and South Korea in 2003, the United States-Australia in 2004, China-New Zealand in 2008, or the Mexico-Japan Economic Partnership Agreement in 2005, to mention some (Shearer & Tres, 2016).

In the last phase, which are the first 16 years of the 21st century, we identify a reconsideration of regionalism and trade agreements in several latitudes around the world, mainly in the Pacific Basin, a situation that impacts transpacific relations. Within this reconsideration, there are two scenarios: mega-regional agreements and a new interpretation of open regionalism. In the case of the first scenario, we find the TPP and the RCEP, while in the second one the Pacific Alliance is located. Despite discussing two types of scenarios of regionalism, both agree that their institutional frameworks have been or are being built with scope beyond those negotiated and established by the World Trade Organization. (Horn, Mavoridis & Sapir, 2009).

In the case of the RCEP, unlike the Pacific Alliance, it is a negotiating initiative that emerged within the framework of the 19th Meeting of the Association of Southeast Asian Nations (ASEAN) in November 2011. This agreement, together with the other mega-regional agreements marks a drastic change in the governance structure of international trade (Nakagawa, 2014).

The reason for this proposal arises from the need to deepen the commercial relations of the ASEAN members with their main partners, with whom has established a separate free trade agreement. The result of this is to promote an agreement with the ten ASEAN member countries and their six main partners, namely Japan, China, South Korea, Australia, New Zealand and India, in other words ASEAN + 6. In this case, after the initiative was presented,
the following year it was decided that the formal negotiations for this agreement should start in May 2013 (Urata, 2013). Since then, eleven rounds of negotiations have been held, the last being on February 10, 2016 in Brunei. The objectives of the RCEP are focused on strengthening the four pillars of the proposed ASEAN Economic Community (International Enterprise Singapore, 2015): making a highly competitive region, creating a single market and fostering balanced economic development in the region. The RCEP is a very important initiative, since it is considered that it includes the motor economies of the Asia Pacific region (The Network of East Asian Think-Tanks, 2014).

Another argument about the emergence of the RCEP proposal is expressed in the words of Shujiro Urata, who gives another sense to the need to promote this project as a response to a possible loss of the centrality of ASEAN and its role as leader in the East Asian integration process (Urata, 2013, p. 8).

Under these general interpretations of both processes, it is important to point out the object of study, which are the institutions within each one of these. One of the important aspects to be determined prior to giving way to this part of the essay is that in the case of the Alliance of the Pacific, there is a framework agreement, whereas in the case of the Regional Comprehensive Economic Partnership, there is not an instrument like this yet. However, this does not mean that through the negotiating points of the RCEP, it is not possible to determine the type of institution that can be achieved within a future framework agreement.

As a conclusion of this section, it is identified that the Asia Pacific region has presented two evolutionary phases with particularities each one of these. The first of these includes post-war until the formation of APEC. In this case we have the first failed attempt of regionalism with Kiyoshi’s PAFTA. The second moment is characterized by the generation of "regional sub-systems" from the 60's to the formation of APEC, with ASEAN and ANZCERTA as examples. The arrival of APEC in the Pacific Basin region marks a starting point for the promotion of multilateralism in the area.

However, in spite of the expectation and the promotion of a greater integration of the Pacific Basin via APEC, this forum has not fully achieved this task since its inception. In this
regard, Ravenhill points out that one of the shortcomings of APEC is the "ambiguous construction" inside the organization (2001, p. 163). Therefore, this has allowed another type of dynamics and agreements in the region, because at the beginning of the 21st century, a phase of transcontinental agreements, mainly free trade agreements (FTAs) between countries of the Americas, Asia and Oceania, begins. Along with this, a fourth moment can be identified during the decade of 2010, where there are two scenarios: megaregional agreements, such as the Transpacific Association Agreement (TPP) and the RCEP, and a new interpretation of open regionalism, as it is the AP

International Regimes and the State according to International Relations

Within the theories of International Relations, a study approach to international regimes can be identified, with a perspective of analysis on the one hand rationalist, and on the other, reflectivist. Hence, the theoretical-methodological proposal is oriented to create dialogue between each of these; this with the aim of being able to explain the hypothesis raised from an integral vision.

With respect to the rationalist view, the theory of international regimes presents three types of interpretations (Hasenclever, Mayer, Rittberger, Murillo & Castro y Ortiz, 1999):

- **Neoliberal**: from this perspective the importance of the international regimes from the Neo-functionalism and Institutional Neoliberalism is rescued, where intergovernmental cooperation allows the development of this type of institutions.
- **Realism**: this vision is linked to the concepts of power and hegemony as key elements towards the creation of a regime that allows a balance of power in the international system.
- **Cognitive - soft**: in this perspective, the role that learning plays as a behavioral element in the states towards institution building is rescued.

In the case of the reflectivist view, this is linked to the hard cognitive view of the theory of international regimes. In this one, aspects not necessarily rational are rescued, but it identifies the institutions as a social construction. Thus, it can be related to Constructivism.

Regarding the rationalist part, in a first approach, one of the arguments points out that the difference between Neo-fucntionalism and Neoliberal Institutionalism lies in the fact that the former studies the structure of regional integration processes, and the second is
based on the intergovernmental institutions of the agreements and the determination of areas of cooperation (Casas Gragea, 2003, p.44).

In this case, these two theories generate their first difference in their inspiration or foundation, resulting in a different view of what institutions are and their role. After this first point of view, a first revision of each of the theories is proposed to be able to determine under what conditions the dialogue between each one of them is generated, so as to be able to support the evolution of the conceptualization of integration processes and theoretical approaches who study them. In this case, we can point out that the evolution of international relations determined the way in which International Relations was theorized, so that we can place a key moment to be able to give way from Neo-functionalism to Neoliberalism, through the third debate in International Relations called as "inter-paradigmatic", where they contemplate Realism, Transnationalism and Structuralism. This third debate, according to Monica Salomón, was constructed before a moment of crisis in the international system, specifically the role of the State, and the emergence of transnational actors (Salomón, 2002, p. 9).

Furthermore, in this critical argument towards how the international problematic was studied, a first step can be identified from Neo-functionalism to Institutional Neoliberalism.

With regard to Institutional Neoliberalism, represented by Robert O. Keohane and Joseph S. Nye, we can identify a set of elements that lead us to rethink the role of the state, and the way in which integration through regionalism becomes an important element towards the increase of the link between the states, which in Nye’s words we can understand as interdependence.

Under this theoretical reference, institutions are defined as a "set of rules (formal and informal) persistent and connected, which prescribe roles of behavior, restrict activity and shape expectations" (Keohane, 1993, p. 16-17). The result, therefore, is the proposed classification of institutions in: formal intergovernmental organizations or International non-governmental organizations, international regimes and conventions; and in turn, these types of institutions are determined by the levels at which community, specificity and autonomy are integrated inside the institution (Keohane, 1993, p. 19).
Finally, we locate Constructivism. According to Hopf, Constructivism helps to understand the international system from another perspective. For example: "the meaning of anarchy and balance of power, the relationship between state identity and interest, power and changes in world politics" (Hopf, 1998, p. 172).

The result of this non-traditional proposal has given rise to a new way of understanding the international reality. Alexander Wendt, who is the most important exponent of Constructivism, points out that his proposal is a perspective capable of contributing to Neorealism-Neoliberalism dialogue and at the same time can link reflectivist positions to rationalist ones. (Wendt, 1992, p. 394) It is from these links that it emphasizes a series of factors that had been omitted by the rationalism, generating a bias in the moment to justify the way in which the States interact and the international system is determined. As a result, one of the approaches to constructivism is not to limit itself to the socialization of the identity and interests of the actors, but goes further and includes other ideational factors weberian inspiration (Ruggie, 1998).

In the case of Nicholas Onuf, creator of Constructivism, he points a sociological point of view of the institutions, defining them as a social outcome from a set of rules that recognize and establish uses (Onuf, 2002). This postulate has given the opportunity to the so-called "sociological institutionalism". This section of Constructivism, analyzes the dissemination of norms with cultural weight in political agreements and institutions (Ruggie, 1998; Finnemore, 1996; Finnemore & Sikkink, 2001).

**Conclusion**

As mentioned in the introduction section, this section focuses on the creation and justification of the hypothesis of my research work. Throughout this work has been identified a series of arguments that give scientific rigor and relevance to the research proposal.

This research starts from an objective based on identifying, through theories of International Relations (Neo-functionalism, Institutional Neoliberalism and Constructivism) the ways in which state actors interact, the process of globalization, economic integration,
and institutional frameworks in order to know how these elements create poles of power, while striving to achieve a balance between national interests and the transfer of sovereignty. The question, therefore, is how and why do state actors push for institutional arrangements?

In a contextual and theoretical way, this work is oriented to that explanation from identifying the case studies as economic regimes of a regional character, which are determined by institutional frameworks, which in turn are determined by guidelines. Alongside this, the study seeks to determine that these frameworks are constructed from the interactions of the states. These interactions are brought about by the convergence of interests, power, experience and social and ideational vision of the international system.

As a consequence, these interactions encourage that the result of this interaction between different actors, in the economic plane, generates that the institutional frameworks of the processes of economic integration are adapted from two types of scenarios of regionalisms: The first of central power, where great world powers lead them to promote their interests and maintain their power at low cost, and the second polycentric, where countries that are not great powers use these integration processes as mechanisms that allow them to exercise more effective collective power than if they did so individually, thus reducing their vulnerability to the major powers and other transnational actors. So each of these scenarios, results in the determination of the objective, structure and operation of economic integration processes.

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