

EAST ASIA REGIONAL LEADERSHIP DYNAMIC IN MEGA-REGIONAL AGREEMENT ERA

*Dinamika Kepemimpinan Regional Asia Timur
dalam Era Perjanjian Mega-Regional*

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Naskah Diterima: 12 Maret 2018

Naskah Direvisi: 21 Mei 2018

Naskah Disetujui: 28 Mei 2018

Abstrak

Mega regional telah menjadi tren utama dalam politik ekonomi era kontemporer. Negosiasi mega regional yang banyak diperbincangkan berpusat pada Asia Timur, di mana Regional Comprehensive Economic Partnership (RCEP) dan Trans Pacific Partnership (TPP) dikontestasikan dengan satu sama lain. Keduanya menjanjikan solusi dan peningkatan dari stagnansi multilateralisme dan redundansi perjanjian perdagangan regional. Keduanya juga menjanjikan kemungkinan regionalism di Asia Timur, sebagai konsekuensi yang tidak dapat dihindari dari integrasi yang intensif dari kerangka rezim yang ada. Kepemimpinan regional kemudian menjadi isu yang penting, karena kekuatan besar seperti Jepang, China, dan ASEAN akan mencoba untuk menjadi pemimpin kawasan. Di tengah negosiasi negara peserta untuk segera menyelesaikan negosiasi panjang RCEP, peristiwa penting terjadi di mana AS mundur dari TPP serta dibentuknya Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP) sebagai penggantinya. Tulisan ini bertujuan untuk memahami konstelasi kepemimpinan ekonomi politik Asia Timur, dikaitkan dengan perkembangan dari perjanjian perdagangan mega-regional yang melibatkan kawasan ini. Kami menggunakan konsep “kepemimpinan” dan “kepemimpinan kawasan” sebagai kerangka konseptual dalam tulisan ini. Metode kualitatif digunakan dalam studi ini dengan data yang diperoleh dari jurnal terbaru dan buku melalui studi literatur. Berdasarkan analisa yang dilakukan, kami berargumen bahwa peristiwa ini telah menciptakan disrupsi terhadap regionalism Asia Timur, di mana peristiwa tersebut menciptakan arena yang baru bagi Jepang, sehingga mengubah keseimbangan dinamika kepemimpinan regional. Sebagai akhir dari studi yang kami lakukan, selanjutnya kami menawarkan skenario bagi tiap kekuatan besar Asia Timur, membuka diskusi awal sebagai respon dari peristiwa yang terjadi.

Kata kunci: Asia Timur, ASEAN, China, Jepang, kepemimpinan regional, RCEP, TPP, CPTPP

Abstract

Mega-regional has become a major trend of the global political economy in this contemporary era. The most talked mega-regional negotiations are centered in East Asia, where Regional Comprehensive Economic Partnership (RCEP) and Trans-Pacific Partnership (TPP) seemed to be contested toward each other. The two mega-regional negotiations promised solution and advancement from stagnant multilateralism and regional trade agreement redundancy. Both regimes also promised possibility for East Asia regionalism, as an inevitable consequence of deeper integration created by the two regimes. Regional leadership is thus becoming a prominent issue, as great powers such as Japan, China, and ASEAN, will struggle to become a regional leader. While participating countries are motivated to conclude negotiation, a

major event occurred with the withdrawal of the US from TPP and the establishment of its successor, Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). This study is aimed to understand East Asia political economy leadership constellation, regarding the current development of mega-regional trade agreements involving the region. We use “leadership” and “regional leadership” as our conceptual frameworks. We use the qualitative method in our study, in which data is obtained from the latest journals and books through literature review. Based on our analysis, we argue that this major shock event has created disruption in East Asia Regionalism, as it provided a new playing field for Japan, changing the balance of regional leadership. To conclude our study, we also propose scenarios for each East Asia great power as an initial discussion responding to this changing event.

Keywords: East Asia, ASEAN, China, Japan, regional leadership, RCEP, TPP, CPTPP

Introduction

Studies on economic integration have been developed rigorously in International Relations, started in earlier work by Jacob Viner work in the custom union in 1950 and Bela Balassa hierarchy of regional economic arrangement in 1961.¹ Besides European economic integration, a major breakthrough in international economic cooperation was achieved by the conclusion of Uruguay Round in 1994 followed by the establishment of World Trade Organization (WTO) in 1995, noted as the first and most comprehensive multilateral agreement, even until today. Expectation to extend high achievement in 1995 was later translated into actions after the global economy started to be stable at the beginning of the new century, aimed to address special issues such as market access, agriculture, and special treatment for LDCs.²

As Doha Round negotiation was going underway, many nations started to find it difficult to converge different interests of developed and developing countries when it came to the time to make a compromise on sensitive issues such as market access to

manufacturing industry (Non-Agriculture Market Access) and agriculture protection (Agreement on Agriculture).³ Different stances between developed and developing countries in Doha Round once again proved the disadvantage of non-exclusive membership in a regime which may attract many participants with their own agenda and interests, way too many than they can compromise. This prolonged stalemate in Doha Round becomes a major issue in WTO negotiation, causing multilateralism approach in economic integration slowed down its pace. The vacuum of progress in multilateralism drove WTO member countries to use the regional trade agreement (RTA), exercising Article XXIV of GATT as a legal framework to establish closer cooperation with partner countries. These new, or extended, RTAs are most notably used to cover issues which cannot be addressed and or agreed in multilateral negotiation under WTO.⁴ Subsequently, the number of bilateral and multilateral RTAs increases significantly during the next decade, making RTA as a global trend in the international political economy since the mid 2000's.

Although RTA can be a strategic alternative at the twilight of multilateralism era, it is also

¹ Gupta, S, “Changing Faces of International Trade: Multilateralism to Regionalism,” *Journal of International Commercial Law and Technology*, Vol. 3 No. 4, 2008, p. 260-273.

² CSEND. (2011). Doha Stalemate: Implications and Ways Forward, Governance Trade Policy, Policy Brief No. 5. (online), (http://www.csend.org/images/articles/files/Doha_Stalemate_Aug_2011.pdf, retrieved March 11, 2018)

³ *Ibid.*

⁴ *Op.cit.*, Gusta S., p. 260.

noted that the new RTA trend in economic cooperation has its own disadvantage. The increasing number of RTAs may create “noodle bowl effect”,⁵ in which one RTA overlaps with each other,⁶ reducing the effectiveness of the agreement itself and going backward steps from progress which had been achieved through WTO framework. Progressing for a decade, states started to notice that redundancies caused by bilateral or regional RTAs had outweighed their advantages. This situation was later addressed by initiating a mega-regional regime, started by a discussion of Trans-Pacific Partnership (TPP) in 2008 and followed by Regional Comprehensive Economic Partnership (RCEP) in 2009.⁷

The main question raises at the beginning of the mega-regionalism era is that whether the mega-regional regime will be able to deliver its promise to create a breakthrough in international political-economic order. Not only to address the noodle bowl effect created during RTAs era, the mega-regional regime is also aimed to enhance cooperation into what so called as “WTO plus” agenda by encompassing for examples: services, agriculture, investment, environmental and human right issues, which were left open by WTO. These background situations accompanied by geopolitical consideration urged countries to negotiate FTA under the mega-regional framework.⁸

Seeing from another point of view, an ambitious target of new mega-regional regimes is prominent for at least two reasons. First, this target should be achieved as an answer to multilateral and RTA problems, where the concession is not sufficient for current needs due to lack of commitment or limited scope. This challenge needs to be addressed as the selling point of the mega-regional regime in order to attract prospective countries to join on board, thus proofing that mega-regionalism is the best solution for current global political economy needs. Second, the commitment achieved in the new mega-regional framework will be the standard setter of other mega-regional agreements, if any. The situation will be similar to first mover advantage, in which later mega-regional agreements need to adjust or find their own model. Looking for this high target of commitment and challenges in addressing the unsolved problems in economic cooperation, it is sufficient to state that the success of mega-regional regime will require strong leadership to drive and push negotiation forward, whether it will be bored by a country or group of countries.

Looking into the case of TPP and RCEP, scholars of International Relations have studied the rivalry between the US and China in winning the economic leadership in the Pacific Rim area.⁹ However, existing studies on leadership and the impact on regime are focused on the international or regional regime, leaving the subject of mega-regional

⁵ Kawai, Masahiro, and Ganeshan Wignaraja. (April 2009) “The Asian ‘Noodle Bowl’: Is It Serious for Business?” ADBI Working Paper Series No. 136. (online). (<https://www.adb.org/sites/default/files/publication/155991/adbi-wp136.pdf>, retrieved March 10, 2018). Also known as “spaghetti bowl effect” according to Jagdish Baghwati in “US Trade policy: The infatuation with free trade agreements”, Discussion Paper Series No. 726, April 1995.

⁶ *Op.cit.*, Gusta S.

⁷ Asia Regional Integration Centre, Asian Development Bank. (n.d.). (online). (<https://aric.adb.org/fta/>, Retrieved March 10, 2018).

⁸ World Economic Forum. (July 2017). Mega-regional Trade Agreements: Game-changers or Costly Distractions for the World Trading System? (online). (<https://www.weforum.org/reports/mega-regional-trade-agreements-game-changers-or-costly-distractions-world-trading-system>, retrieved March 4, 2018).

⁹ See Jeffrey D. Wilson, “Mega-Regional Trade Deals in the Asia-Pacific: Choosing between the TPP and RCEP?” *Journal of Contemporary Asia*, 2015, Vol. 45 No. 2, p. 345-353.; Yifei Xiao “Competitive Mega-regional Trade Agreements: Regional Comprehensive Economic Partnership (RCEP) vs. Trans-Pacific Partnership (TPP)”, *College Undergraduate Research Electronic Journal*, 2015. ; Shintaro Hamanaka, “TPP versus RCEP: Control of Membership and Agenda Setting”, *Journal of East Asian Economic Integration*, June 2014, Vol. 18, No. 2, p. 163-186; Vinod Aggarwal, “Mega-FTAs and the trade-security nexus : the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP)”, *Asia Pacific Issue* March 2016, No. 23.

somewhat lack behind. While US leadership in TPP was unquestionable, a different situation occurred on the other side of Pacific Ocean where China and Japan went together in driving RCEP negotiation to conclude.

The unique situation in RCEP and the question of its leadership will much affect East Asia regionalism which has been in a steady search of form. The fact that RCEP is built on the ASEAN-styled agreement but includes major political-economic power such as China and Japan signifies its unique situation where the arena for leader competition is open to many actors. While RCEP finalizes its negotiation, a major change in regime environment occurred as US decided to withdraw its membership from TPP in January 2017,¹⁰ left TPP without a strong leadership. The absence of leader led to discontinuation of TPP, made its members choose between continuing TPP without the US or joining the other new mega-regionalism. In the case of Japan, this situation opens the opportunity to replace US leader role in Pacific Rim economic regime, which later realized by TPP members' commitment to establishing Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

This phenomenon is thus noteworthy to explore to enrich study on leadership in International Relations, especially on the regional leadership issue. Limited literature available from Oran Young (1991), Arild Underdal (1994), and Raino Malnes (1995) had laid down fundamental understanding on leadership concept. In the early development of "leadership" as a concept, scholars have identified the types and roles of each kind of leadership which can be found in international regimes. The second generation of leadership researches develops their discussion responding to the burgeoning of regional organizations,

thus making the inquiries shifting into regional leadership. Notable works from Detlef Nolte (2010) emphasize on regional leader roles in regional institutions, thus giving clear insight on the different level of capacity and power possessed by global and regional leader. Further work by Sandra Destradi (2010) adds discussion on strategies employed by country aiming to be a regional leader. From the available literatures, it can be seen that though scholars have tried to conceptualize the notion of "leader" and "regional leader", there is still question to be answered on how the dynamic in leader-follower relations may affect institution formation, let alone regional institution. Through limiting the discussion on the dynamic between leader and followers in the regional institution and focusing its analysis in the process, this paper is written to fill the gap in regional leadership discourse.

This paper is thus aimed to analyze the future of East Asia regional leadership and regionalism based on the recent development in mega-regional regimes, which are the upcoming conclusion of RCEP and the wake of CPTPP. The structure of this paper will be divided into four parts. First, a brief literature review of existing East Asia regionalism and leadership will be highlighted. Second, China and Japan rivalry in East Asia regionalism leadership and the CPTPP as determining changing event will be discussed. Third, the future of East Asia Regionalism, focusing on the dynamic between China and Japan as a prospected leader in the region will be analyzed. Finally, concluding remarks are drawn to close this paper, hoping that our view will give insight on this issue for our readers.

Diccussion

Leadership and Regional Leadership

Study on leadership and its importance for the regime was developed from the Realist approach in the notion of hegemony. Robert

¹⁰ Free Trade Agreements data of the Asian Development Bank, taken from: <https://aric.adb.org/fta/> (retrieved March,10 2018)

Keohane posited that hegemon was the center of regime establishment and sustainability¹¹. Duncan Snidal later distinguished hegemon into coercive and benevolent hegemon. While coercive hegemon imposed and maintained by its material power, benevolent hegemon emphasized on a group of great powers to provide public goods for the regime.¹² Discussion on the notion of hegemony was later shifted into a Liberal paradigm in which leadership became their language to communicate the centrality of power within the institution.

Discussion on the elusive concept of “leadership” raised in 1980-1990’s to describe the roles taken by participating states in a negotiation to craft an agreement,¹³ in parallel with the development of studies in international regimes. However, the question of how “leadership” influence bargaining in the sense of institutional negotiation within institutional formation was limited, even until today. Some early notable works on how leadership is important in the formation can be found in Oran Young (1991), Arild Underdal (1994), and Raino Malnes (1995).

In his paper, Young proposed the concept of structural, entrepreneur, and intellectual leadership in a regime and their relations toward each other in shaping the related institution. As he emphasized, the role of each leader might be bested upon the different individual, though did not neglect the possibility of having a leader with two or even three roles in the same institution. Structural leader, as he argued, would be the one who had the material capacity to put pressure on other members to agree to the proposed contract. The function

of broker would be played by the entrepreneur, who would be responsible to initiate trade-off among different interest within the institution in order to achieve agreement on the related issue. The last role played by the intellectual leader would be shaping ideas in the mind of institution members.¹⁴

Simply said, institutional formation occurs in the simultaneous process, started by idea initiation by the intellectual leader, thus diffused and brokered by entrepreneur leader, and finally concluded and enforced by the structural leader. This “division of responsibility” between leaders implies different characters and capabilities required for each position. In this paper, Young emphasized that the existence of these three types of leaders is necessary, but not sufficient to guarantee the success of institution emergence. He also argued that in practice, the formation of the institution was much more influenced by the interplay of different actors who represented a different form of leadership.¹⁵ In this sense, Young did not determine whether the institutional leader is an individual or a group, thus opened for the possibility of leadership collaboration within an institution. Related to this conceptualization, leadership has a close connection with Snidal’s concept of the benevolent hegemon. In contemporary literature, benevolent hegemon shares a similar characteristic with cooperative hegemon,¹⁶ especially in hegemon’s soft approach to shape institution’s member’s behavior.

Young’s work on leadership in institutional bargaining and formation is valuable to understand the notion of regional leader and its central role in regionalism. This study interest is indeed lack of analysis tool since many existed researchers focus on how to

¹¹ Keohane, R. O. “The Theory of Hegemonic Stability and Changes in International Economic Regimes, 1967-1977,” *International Political Economy*, Los Angeles : Center for International and Strategic Affairs, University of California. 1996, p. 136.

¹² Snidal, D, “The limits of hegemonic stability theory.” *International Organization*, 39(04), 1985. p. 579.

¹³ Skodvin, T. & Andresen, S. “Leadership Revisited,” *Global Environmental Politics*, 6(3), August 20016, p.1

¹⁴ Young, O. R. “Political leadership and regime formation: on the development of institutions in international society,” *International Organization*, 45(03), 1991, p. 281-308.

¹⁵ *Ibid.*

¹⁶ See Pederson, T. “Cooperative Hegemony: Power, Ideas, and Institutions in Regional Integration,” *Review of International Studies*, 2002, p. 677-696.

conceptualize regional leaders but few, if not none, have tried to analyze specifically how regional leader form or drive regionalism.

Few kinds of literature on how leadership may form or drive regionalism include the work of Detlef Nolte (2010) who tries to analyze the relationship between regional leaders and regional institution. According to Nolte, regional leadership is the aim and responsibility of regional power, which in this case is defined as a state having certain characteristics and taking the measures needed to articulate its intention to be one. It is important for regional power to possess and display its material and ideological resources to prospected followers which are geographical, economically, and political-ideationally delimited in a region. Material and immaterial resources are important as regional power is expected to provide collective good for its followers. Having the capacity to provide collective good, regional power is thus able to exert significant influence in constructing regional identity, agenda, and governance structure. It is also crucial for regional power to have a position as “the hub” of the region, having interconnectivity in the economy, politics, or cultural with neighboring countries. Regional power needs to be well integrated into the international and global arena, functioning as the bridge and buffer of the region to the world. At last, regional power intention and position should be acknowledged and accepted by other states, both in and outside the region, as regional power needs followers and respect from others.¹⁷ The way Nolte describes the regional power has similarity with Young’s concept of leadership in international regime, though Nolte specifically determines the singularity of regional power and prefers to recognize the presence of “secondary regional powers” and

¹⁷ Nolte, D. “How to Compare Regional Powers: Analytical Concepts and Research Topics,” *Review of International Studies*, 6, 2010, p.36, 893.

“regional middle power” to define other great powers in the region.¹⁸

In this paper, Nolte also posits regional leader plays important role in shaping institution governance and membership. Regional leaders are assumed to have the capacity to convince a sufficient number of states within the region to support its regional project. As for cooperative hegemon, its strategy to co-opt other members with incentive rather than punishment will generate a positive response to its position as leader, making the cooperation last longer and stable. This strategy is basically aimed to guarantee access to resources within the region, while the process enables regional leader to diffuse its political ideas and models, shaping the behavior of other members to converge into the regional institution.¹⁹

Other work on regional leadership was written by Sandra Destradi, which more focus on making a clear distinction between strategies pursued by states to become regional leader. In this paper, Destradi posits that regional powers are “states which adopt a cooperative and benevolent attitude in their international relations with their neighbors”. Destradi proposes that the strategy can be categorized into hegemony, leadership, and empire, which later is used to elaborate relations between regional powers with their neighbors.²⁰

China and Japan Rivalry in East Asia Regionalism Leadership

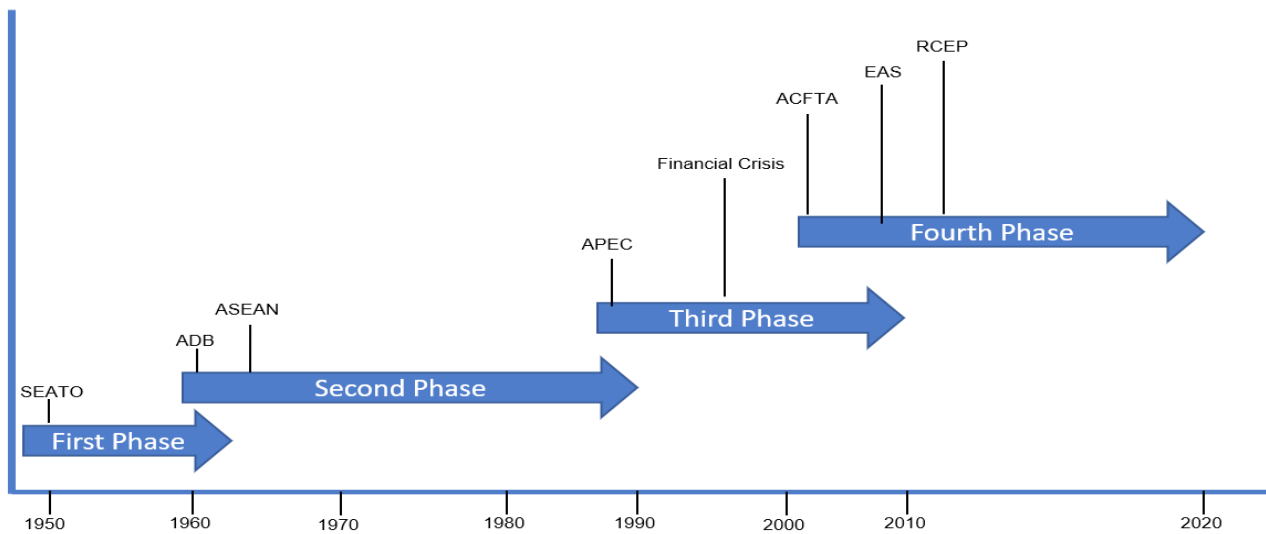
The East Asia regionalism consists of four main phases. The first one is the regime creation based on security and seeking for cooperation in economic. The second phase is driven, according to Honghua (2010), by national policies and national market

¹⁸ *Ibid*, p. 896.

¹⁹ *Ibid*.

²⁰ Destradi, S. “Regional Powers and Their Strategies: Empire, Hegemony, and Leadership.” *Review of International Studies*, 36, 2010. p. 903–930.

Figure 1. East Asian Regionalism Phases



Source: authors compilation

or investment reforms rather than formal cooperation²¹. This phase is when Japan plays a critical role as a leader in the region. The third phase is at the establishment of APEC until the Post-Asian financial crisis 1997 where some states start to form economic cooperation. In this phase, China began to play a key role in regional economic cooperation²² due to their vast economic growth. The third phase is seeking for wider regime creation such as the establishment of the ASEAN+ framework. Lastly, the fourth phase is seeking to establish Free Trade Areas in the region, either by attaching into existing organization or establishing a completely new agreement.

The East Asia regionalism first phase begins during the cold war era where countries of East Asia surviving against instability in the region due to the spread of communism in the region. Consequently, regional engagement of the East Asian countries concerns mainly on security issues. In 1966, however – also marking the start to the second phase –, an initiative to establish an economic-based regional engagement is created by Japan that is the Asian Development Bank (ADB). The creation of the ADB is a result

²¹ Honghua. “East Asian Order Formation and Sino-Japanese Relations,” *Indiana Journal of Global Legal Studies*, 17(1), 2010, p.47-82.

²² *Ibid*

of Japan’s miraculous economic growth and intend to stimulate economic development in East Asia through “FDIs as a package of capital, technology, managerial skills, and market”²³. The establishment of ADB, especially, is a prominent sign that Japan’s reach a status of the developed country in the region and seeking for influence in other countries within the region²⁴. The ADB has a similar function to the World Bank that is to develop a nation’s economic condition. It then shifted slowly to focus on regional engagement creation especially in the 1990s²⁵.

The conception of ADB is not only to stimulate economic development in the early stage of a stable condition in the East Asia region but also indirectly assisting the economic regime building in the region. Namely, in 1967, the Association of Southeast Asia Nations (ASEAN) is established. Although the background that triggers the establishment is security²⁶, ASEAN in their declaration

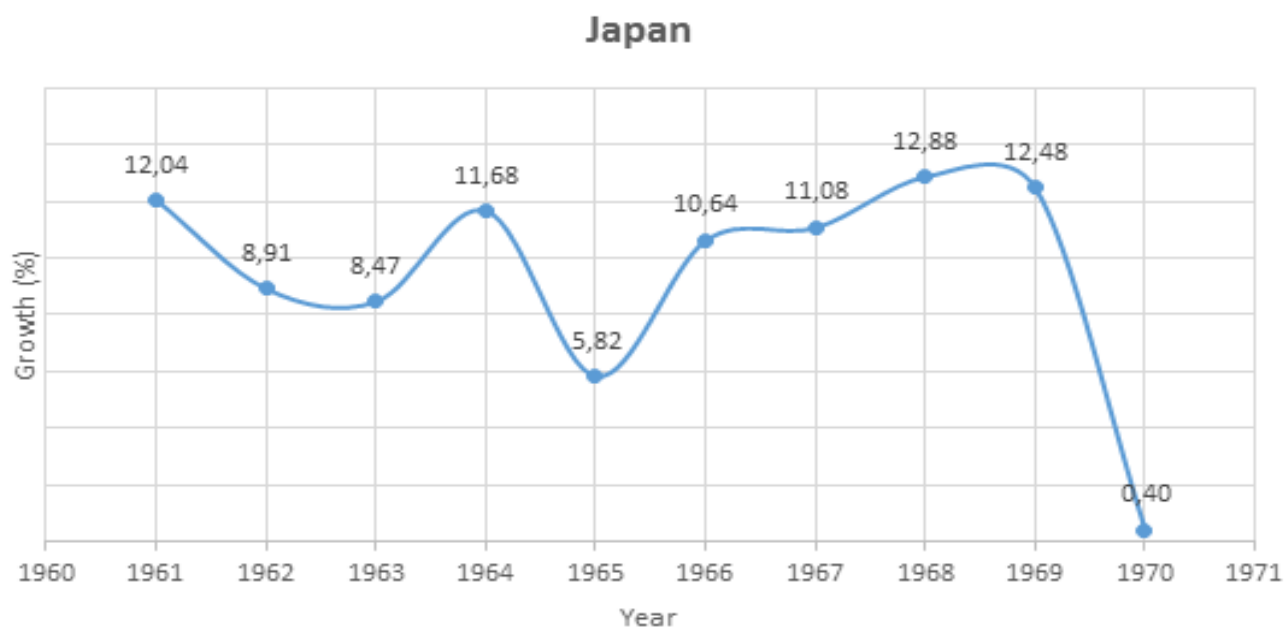
²³ Park, Y.-i. “How Feasible is East Asia-Only Regional Integration,” *인하대학교 정석물류통상연구원 학술대회 (Journal of International Logistic and Trade)*, 2007. p. 37-54.

²⁴ Rathus, J. “China, Japan and Regional Organizations: the Case of the Asian Development Bank,” *Japanese Studies*, 28(1), 2008, p. 87-99.

²⁵ Dent, C. “The Asian Development Bank and Developmental Regionalism in East Asia,” *Third World Quarterly*, 29(4), 2008, p. 767-786.

²⁶ Jones, D. M. & Smith, M., *ASEAN and East Asian*

Figure 2. Japan GDP Growth 1961-1970



Source: World Bank²⁷

and longer-term proved to be an economic cooperation institution. Especially after the end of the cold war then the ASEAN manage to incept the idea of ASEAN Free Trade Area (AFTA) that will then direct the future of East Asian regionalism. The main reason is that ASEAN-based regime building manages to create cooperation with external states and, to a certain degree, manage to unite several countries and move forward in the regional integrating efforts.

In the similar timeline, initiated by the US, the region is united by a mega-regional arrangement of Asia-Pacific Economic Cooperation (APEC). It is a unique arrangement because it is the first inter-regional arrangement that focuses purely on economic cooperation in East Asia. The APEC member countries consist of ASEAN members and Australia, Canada, the US, Japan, New Zealand, China, Hong Kong, and Taiwan. Only a few years after their establishment, APEC manages to seek to establish a Free Trade Area (hereafter is FTA) in the region.

International Relations: Regional Delusion. Cheltenham: Edward Elgar Publishing UK, 2006.

²⁷ The World Bank, (n.d.). 2018. Japan. (online). (<https://data.worldbank.org/country/Japan>, retrieved March 4, 2018).

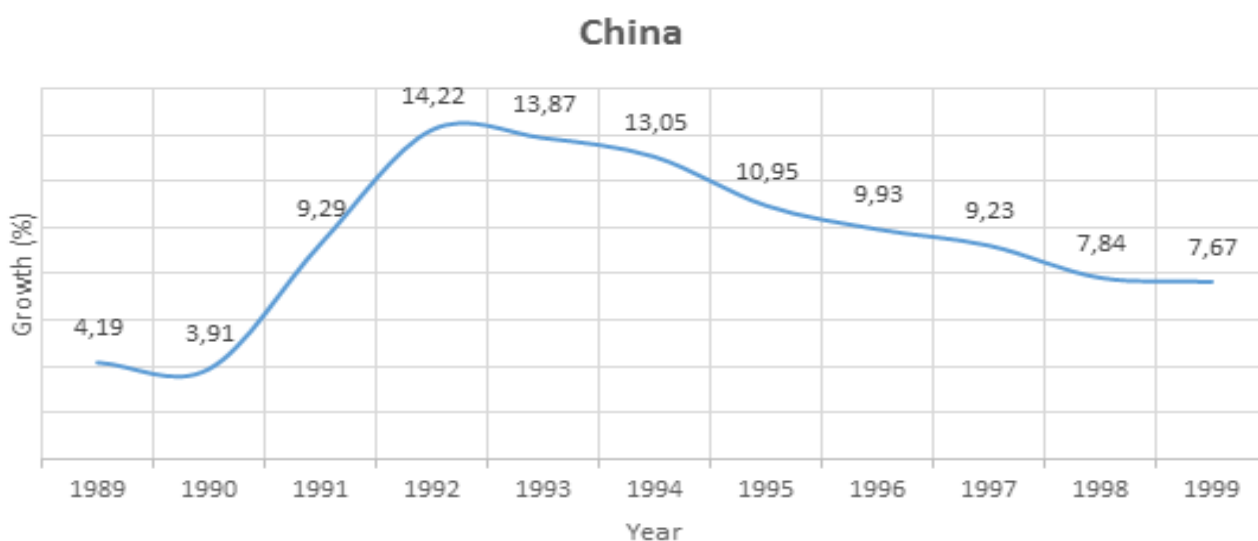
Establishment of this FTA in 1994 is argued by some scholars as a balancing act upon European Single Market and AFTA that was declared two years before²⁸.

As the countries in East Asia–Southeast Asia through the ASEAN and Asia-Pacific through APEC – is seeking to establish an FTA, the countries of Southeast Asia and Northeast Asia, at the same time seeks to establish similar FTA between them sponsored by Malaysia’s Prime Minister, Mahathir Mohammad. He proposed the East Asia Economic Grouping (EAEG) that consists of only countries in East Asia. However, EAEG forming process is halt due to lack of interest from its members, especially with the offer of APEC’s FTA that offer larger market and membership inclusions.

The inception of EAEG is an early stage of China’s effort to seek influence. China began to seek influence after joining APEC especially after the 1990s where China’s GDP numbers are increasing significantly and thus resulted in an increased capacity to allow them to seek for followership in East Asia.

²⁸ Park, S. H. & Kim, H. Y. “Increasing Sub-Regionalism within APEC and the Bogor Goals: Stumbling Block or Building Block?,” *Korean-German Academy of Economics and management*, 37(Dec 2006), 2006, p.143–68.

Figure 3. China GDP Growth 1989-1999



Source: World Bank²⁹

The negotiation to establish APEC's FTA is falling behind, unfortunately, due to the Asian financial crisis in 1997. In solving the financial crisis, Japan had a proposal to create the AMF. Besides it is rejected by the US it is also rejected by China as it has the possibility to strengthen Yen's exchange position that will incapacitate China's effort in the region³⁰. In addition, the establishment idea for the AMF is opposed by Malaysia³¹.

The financial crisis created four effects in the process of regional integration in East Asia. First, having the similar problem, countries in East Asia realized that they have high interdependency in the economic problem. Second, failure of the International Monetary Fund (IMF) to be able to solve financial crisis cause loss of trust in the US-led economic regime including APEC. Third, the rise of China's economic growth and approach

towards ASEAN has caused a lean toward China's in economic cooperation. Fourth, the unity of ASEAN towards financial crisis creates regionalism movement that is highly dependent on ASEAN³²

In terms of institutional building, the financial crisis also affected the inception of ASEAN Plus Three (APT) framework consist of ASEAN members - the almost-complete 10 members - and China, Japan, and the Republic of Korea (hereafter is called Korea). The short-term in APT is creating a mechanism to prevent and solve the similar case to 1997 Asian financial crisis.

China influence outgrows Japan's when the region moves forward for the APT initiative and continued with the concluding of ASEAN-China Free Trade Area (ACFTA). Japan, meanwhile, believes in a bilateral trade agreement will be a better option rather than multilateral agreement. Japan's effort, however, is not as attractive as China's initiative due to ACFTA offers to open agricultural and fisheries commodity and Japan still refuse to do so³³. The concluding of ACFTA pushes

²⁹ The World Bank, (n.d.). 2018. Japan. (online). (<https://data.worldbank.org/country/China>, retrieved March 4, 2018).

³⁰ Park, J.-S. "Regional Leadership Dynamics and East Asian Financial Cooperation: Sino-Japanese Competitive Coexistence and the Development of the Chiang Mai Initiative," *The Journal of Asia-Pacific Studies*, 19(1), 2013, p.247-286.

³¹ See Haacke, J. "Seeking Influence : China's Diplomacy toward Asean After The Asian Crisis," *Asian Perspective*, 26(4), 2002. P. 13-52.; Lee, M. & Cheong, I. (2011). A Critical Review on Regional Integration Processes in East Asia. *Journal of International Logistics and Trade*, 9(2), 33-56.

³² *Ibid*

³³ See Zha, D. "The Politics of China-ASEAN Economic Relations: Assessing the Move toward A Free Trade Area," *Asian Perspective*, 26(4), 2002, p. 53-82.; Chung, C. "China and Japan in ASEAN Plus Multilateral Arrangements," *Asian Survey*, 53(5), 2013. p. 801-824.

Japan to create a similar institution that is the ASEAN-Japan Economic Comprehensive Partnership (AJCEP) in 2003 that contradicts Japan's stance on bilateral-based cooperation rather than multilateral-based cooperation.

China's 'diplomacy-win' against Japan in the APT is a statement of leadership position taken by China in East Asia. The APT, however, is merely a framework of cooperation based on ASEAN. Thus, it caused external parties that is China, Japan, and Korea have limited capacity to run their programs. Therefore, all members of the APT with the support from China agrees to establish a more independent organization that is outside the ASEAN framework.

The East Asia Summit (EAS) then established in the idea that its member will consist of APT countries³⁴. The membership, however, became a long debate where Japan seeks to widen its membership and China seeks to deepen instead. The differences also reach on the level of ASEAN members. Countries of Cambodia, Laos, and Myanmar prefer the formation of APT rather than EAS. Meanwhile, Singapore, the Philippines, and Vietnam prefer the EAS. While Thailand and Malaysia choose to go for APT, Indonesia itself is still back and forth shifting between APT or EAS³⁵.

Table 1. China-Japan Preferences on East Asia Regionalism

Country	Preference
China	Multilateral Cooperation Regional leadership dominance Deep integration Regional Influence without the US
Japan	Bilateral Cooperation Regional leadership dominance Wide integration Alliance with the US - seeking to limit US influence in the longer term

Sources: Authors compilation

³⁴ Chung, C. "China and Japan in ASEAN Plus Multilateral Arrangements," *Asian Survey*, 53(5), 2013. p. 801-824.

³⁵ Kim H. J., Lee P. P. and Ariff, M. R. M. "East Asian Developments and Contrasting Views among ASEAN Member Nations over East Asian Regionalism," *The*

The creation of EAS has become a new arena for Japan to push its interest. Resulted in the membership of EAS widened and not limited to only the members of the APT. India, Australia, and New Zealand become the extra members that join the EAS. In addition, with support from Japan, the US joins the EAS and Russia with the support of China as an act of balancing of Japan's approach to include the US.

The rivalry, however, continues to the trade regime arena. In the East Asia region, the same debate remains, whether to continue to create a wide integration or deep integration. The East Asia Free Trade Area (EAFTA) is an agreement that consists of ASEAN members alongside their northern counterparts: China, Japan, and Korea. Another proposed trade regime is the Comprehensive Economic Partnership in East Asia (CEPEA) consist of ASEAN countries alongside China, Japan, and Korea with an extra member of Australia, New Zealand, and India.

China prefers the EAFTA that push a narrower integration while Japan pushes the CEPEA the wider integration³⁶ - similar case to the APT and EAS membership issue problems. Both countries, however, did not have any chance except to follow ASEAN's centrality in RCEP creation. As mentioned by Dent³⁷(2008), followership is a key to gain leadership status. In this case, both China and Japan depend on ASEAN's participation in any kind of regional framework.

ASEAN's hold an interest especially in trade regime where most of ASEAN members established multiple bilateral trade arrangements. The ASEAN seeks to establish and unite the existing ASEAN+ FTA's and

Korean Journal of Defense Analysis, 23(3), September 2011, 2011. p. 387-402.

³⁶ Kawai, Masahiro, and Ganeshan Wignaraja. 2008. "EAFTA or CEPEA: Which Way Forward?" *Asean Economic Bulletin* 25(2): 113-39.

³⁷ *Op.cit.*, Dent, C. (2008b).

Table 2. FTA agreements between RCEP's members (March 2018)

ASEAN		Signed-In Effect	Signed-In Effect	Signed-In Effect	Signed-In Effect	Signed-In Effect	Signed-In Effect
China	Signed-In Effect		Launch Negotiation ¹	Launch Negotiation ²	unclear	Signed-In Effect	Signed-In Effect
Japan	Signed-In Effect	Launch Negotiation ³		Launch Negotiation ⁴	Signed-In Effect	Signed-In Effect	unclear
Korea	Signed-In Effect	Launch Negotiation ⁵	Launch Negotiation ⁶		Signed-In Effect	Signed-In Effect	Signed-In Effect
India	Signed-In Effect	unclear	Signed-In Effect	Signed-In Effect		Launch Negotiation	Launch Negotiation
Australia	Signed-In Effect	Signed-In Effect	Signed-In Effect	Signed-In Effect	Signed-In Effect		Signed-In Effect
New Zealand	Signed-In Effect	Signed-In Effect	Unclear	Signed-In Effect	Launch Negotiation	Signed-In Effect	

Source: authors compilation data absorbed from ADB³⁸

trying to make it as the “ASEAN++ FTA” that is the Regional Comprehensive Economic Partnership (RCEP) in 2012. The RCEP seeks to simplify the potentially complicated “noodle-bowl”³⁹ effect and to “maximize the values of governments’ efforts to create a strong production base in East Asia”⁴⁰.

The creation of RCEP and written under their guiding principles can be a considered a win-win solution for the East Asia regionalism for two main reasons. First, the issue of membership is no longer a problem. As it isolated US and Russia from entering the framework due to US and Russia status that have not entered any talks toward creating ASEAN+FTA. As the RCEP framework Guiding principles and Objectives mentioned:

“Any ASEAN FTA Partner that did not participate in the RCEP negotiations

³⁸ Asia Regional Integration Center, 2018, <https://aric.adb.org/fta>, , retrieved March 8, 2018.

³⁹ Similar familiar term is “spaghetti-bowl” effect

⁴⁰ Fukunaga, Y. & Isono, I. (2013). Taking ASEAN+1 FTAs towards the RCEP: A Mapping Study.” *ERIA Discussion Paper Series* (ERIA-DP-2013-02). (online). (<http://www.eria.org/ERIA-DP-2013-02.pdf>, retrieved March 8, 2018)

at the outset would be allowed to join the negotiations, subject to terms and conditions that would be agreed with all other participating countries” (Principle 6)⁴¹

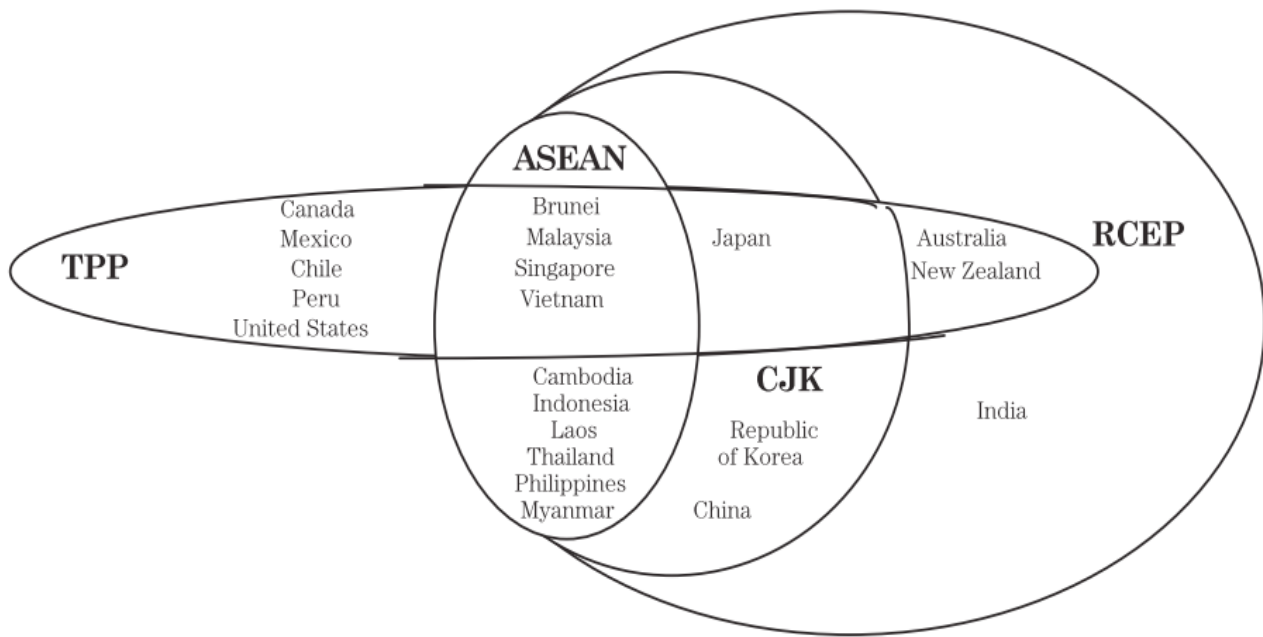
Second, as the US is out of the picture, the regionalism of East Asia can continue⁴². The continuity of the regionalism, however, rely deeply on stakeholders’ position. In this case: China, Japan, India, and ASEAN. While not trying to ignore Australia, they did not play a critical role as other stakeholders did.

Efforts to conclude RCEP is, actually, supported by several circumstances in East Asia. First, the ASEAN Economic Community (AEC) goal that establishes an economic integration between the members of ASEAN which is the main instrument in East Asia regionalism. Second, China-Japan-Korea (CJK) FTA to be concluded and East Asian FTA

⁴¹ <http://asean.org/storage/2012/05/RCEP-Guiding-Principles-public-copy.pdf>. 2012.

⁴² The Independent. (January 23, 2017). Trump Withdraws from Trans-Pacific Partnership amid Flurry of Orders. (online). (<https://www.theguardian.com/us-news/2017/jan/23/donald-trump-first-orders-trans-pacific-partnership-tpp>, retrieved March 8, 2018).

Figure 4. TPP and RCEP membership in East Asia and Pacific Region



Source: Bobowski⁴³

(EAFTA) to establish creates a harmonization between ASEAN and CJK. Third, study for RCEP, the - Japan-sponsored - proposal for Comprehensive Economic Partnership for East Asia (CEPEA) is completed. The RCEP is aimed to be concluded by 2015⁴⁴, however, until this writing, it is not yet been completed.

There are two main reasons the RCEP process took longer than expected. The first one is due to its nature of bundling all bilateral and ASEAN+ FTAs into one negotiation, several of its members have not concluded bilateral or multilateral arrangement between them. As an example, while ASEAN+3 countries manage to conclude FTA, the FTA between CJK has not yet been concluded and keep disrupted by external events such

as a border or political tension⁴⁵. This cause more complicated negotiation especially until recently several countries have not even begun to launch negotiation of the FTA.

Second, the presence of the Trans-Pacific Partnership (TPP) creates a distraction due to its attractiveness on possible economic accomplishment. The TPP agreement becomes an intense talk after the US joins. Several reasons cause US participation but one of many references available is due to its 'pivot to Asia' policy that is to contain China's influence in the region⁴⁶.

The TPP establishment is feared to create a slowing progress in the RCEP negotiations. Like the proposal of EAEG in 1992, was not cheered up by many members since the proposal of APEC FTA (FTAAP) is more interesting than any kind of East Asian FTA.

⁴³ Bobowski, S. (2015). An Insight into Asian Trade Regionalism: Japan's Double Membership in the Exclusive Games of TPP, and RCEP. *Review of Asian and Pacific Studies*, 40, 141-66. (<http://repository.seikei.ac.jp/dspace/handle/10928/739>, retrieved March 10, 2018).

⁴⁴ Association of South East Asian Nations. (n.d), 2018, Guiding Principles and Objectives for Negotiating the Regional Comprehensive Economic Partnership. (online). (<http://asean.org/storage/2012/05/RCEP-Guiding-Principles-public-copy.pdf>, retrieved March 10, 2018)

⁴⁵ Bi, Y. "Rising Mega RTA? China-Japan-Korea FTA under the New Trade Dynamism," *Journal of East Asia and International Law*, 8(2), 2015. p. 299-300.

⁴⁶ Xiao, Y. (2015) Competitive Mega-Regional Trade Agreements: Regional Comprehensive Economic Partnership (RCEP) vs. Trans-Pacific Partnership (TPP). (online). (<http://repository.upenn.edu/curej/194>, retrieved March 10, 2018).

Table 3. TPP and RCEP comparison

	TPP	RCEP
Negotiation Launch	March 2010	November 2011
Target Completion	Late 2014	Late 2015
Total GDP (2013)	USD 27.5 Trillion	USD 17 Trillion
Goals	Setting new FTA Standards leading to FTAAP	Bundling East Asian FTAs to prevent noodle bowl problems
Membership Model	All Asia-Pacific countries	ASEAN+ framework
Major Sponsor	US	ASEAN, China, Japan
Members absent	China, Indonesia, Korea ⁷	US

Source: author's compilation from various source⁴⁷

The attractiveness of TPP lays in the inclusion of US in the position resulted in the total GDP of its member differences is more than USD 10 Trillion. In addition, US's diplomacy also pushes the states in the Asia-Pacific region, mostly the East Asian, to participate in the TPP. By 2017, Korea and Indonesia showed interest in joining the TPP. It also caused some divergence (Figure 4) in the East Asian countries as some decide to join TPP and some are neither invited or participated.

In the TPP, Japan's position becomes the second class compares to the US. As shown in previous economic cooperation regime (i.e. ADB) Japan maintain influence but will be smaller compared to the US. China, meanwhile, is out of the framework while trying to influence other members such as Indonesia and Korea to join the TPP.

The East Asian regionalism, passing through four phases, possess dynamic leadership shift. In the first phase, the leadership role is nearly absent. The circumstances in the region did not allow countries to engage in any form of cooperation. Even in the security area, every initiative by any intellectual leaders - in most cases Thailand and the US - did not manage to prevail. It indicates that the role of structural or perhaps entrepreneur leadership role is missing.

In the second phase is where Japan started to take lead as a structural and intellectual leadership role by providing public goods to the region of Southeast Asia. Certainly, it is welcomed by most independent countries in Southeast Asia that are Malaysia, Indonesia, Thailand, the Philippines, and Singapore. While it is unsure who plays the entrepreneur role, the second phase sees the leadership gain full acceptance by its members. In this phase also, US also starts to join the arena of East Asia by luring them to the idea of APEC free trade area taking the role as intellectual and structural leader. In most cases, Japan and US collaborating in many institutional buildings.

The third phase saw a heavy shift with the rise of China and the financial crisis in Asia. The rise of China quickly captured by Malaysia who plays the intellectual leadership role to form EAEG. Although the idea was not well accepted, the formation of ACFTA indicates China stepping up to take the Intellectual and Structural leadership by providing access to its market. Meanwhile, Japan is losing diplomacy toward East Asian countries and losing its focus toward recovering from the economic crisis.

The fourth phase, however, seen as a malleable condition with both Japan and China competing to take on leadership. In the case of APT, China plays a dominant role and continued into forming the EAFTA. Japan, meanwhile, plays a dominant role in forming

⁴⁷ *Op.cit.*, See Xiao, Y and *Op.cit.*, Wilson, J. D.

EAS and continued into the CEPEA. The US, also trying to lead with their 'pivot to Asia' policy and forming the TPP creating a distraction from the proposed regime of EAFTA and CEPEA. ASEAN, however, manage to gravitate to cooperation toward the center of participants, the ASEAN itself. In various literature, the acceptance or followership in the institutional building is critical. As ASEAN member countries have more number in the grouping and manage to play both intellectual and entrepreneur roles in uniting East Asia in the RCEP.

The East Asian regionalism has been through a long process in its formation. It was started with the Southeast Asia region and then spread to their northern counterpart and several regional powers in South Asia and Oceania. From this narrative, we can conclude several points. First, ASEAN is a central figure in the East Asian regionalism with every participation of any regional arrangement in East Asia will have all – if not, some – ASEAN members. A prominent phase is during the four phases where it manages to unite in the RCEP negotiations.

Second, China and Japan are critical actors in forming regionalism in East Asia. Several initiatives are sponsored by China and/or Japan. Started with the APT until the RCEP initiative has always been participated or sponsored by either China or Japan. Both countries, following Young's framework, intended to provide structural leadership as they try to increase the material benefit to East Asian countries. The leadership, however, is in the form of competition as both countries try to be the sole leading country.

Third, the US role also cannot be ignored in forming and directing the region's regionalism process. One main reason is that the US has the capacity to lead a multilateral arrangement in the region. Although APEC is initiated by Australia, the US is taking a

dominant role in the organization to shape the multilateralization effort. In addition, the US is also a major player in the TPP. The US's effort to shape East Asia regional multilateral arrangement, however, is disturbed with, if not disturbing, the existing circumstance between East Asian countries in the regionalism efforts related to leadership rivalry of China and Japan.

The recent development in US politics under Donald Trump presidency changed East Asia position in US foreign policy, leaving Barrack Obama's "Asian Pivot" behind. Trump's distrust to multilateralism approach was thus materialized by his decision to withdraw or renegotiate US multilateral agreements, including his sudden decision to pull out from the TPP. US exit from TPP has caused an alteration in this mega-regional trade-off, in which US inclusion was previously one of the most attractive points of TPP compared to the other Pacific-Rim mega-regional agreement, RCEP. The political economy landscape of CP-TPP, the successor of TPP, has reduced from 40% of world's GDP free trade agreement into only 13.5% global GDP level.⁴⁸ Though economically is bad news for Pacific Rim economic cooperation, the withdrawal of US from the TPP framework opens a rare favoring opportunity for the East Asian countries to exclude the US from the regional integration of East Asia. This situation provides an opportunity for East Asia exclusive regionalism, especially considering small chances of US to return to any kind of new liberal trade agreements⁴⁹.

⁴⁸ The Strait Times. (March 8, 2018). TPP Deal This Week will be Blow to US Trade Protectionism: China Daily. (online). (<http://www.straitstimes.com/asia/east-asia/tpp-deal-this-week-will-be-blow-to-us-trade-protectionism-china-daily>, retrieved March 10, 2018).

⁴⁹ East Asia Forum. (March 5, 2018). Moving from Defense to Offence on Trade Strategy. (online). (<http://www.eastasiaforum.org/2018/03/05/moving-from-defence-to-offence-on-trade-strategy/>, retrieved

The US's decision to pull out from TPP has left Japan to stand as the only dominant country in seeking high influence in East Asia through the TPP. The formation of CPTPP has given Japan a new "playing field" for regional leadership contestation. ASEAN members which join CPTPP consist of Brunei Darussalam, Singapore, Vietnam, Malaysia; in addition to Japan, Australia, and New Zealand. The CPTPP also pursue to expand its membership. Thailand and the United Kingdom has stated their interest⁵⁰. While Korea, Indonesia, and China are considered as critical countries to join the parade⁵¹.

A recent event has surfaced a big question mark toward the future of East Asia regionalism. It was started with the supremacy of US and continued with collaboration with Japan. The next phase, Japan led and started to receive a challenge from China. The arena of leadership contest reaches a balance in the next phase where China and Japan balancing with the US lurking from outside the region. US's recent foreign policy, however, return the contesting leadership back to China versus Japan. The question remains, how will the future of East Asia Regionalism after the CPTPP establishment?

The Future of East Asia Regionalism

The future of East Asia regionalism can be separated into three important stakeholders that have been mentioned in the studies so far. That is China, Japan, and ASEAN. Each stakeholder will play an important role in determining the future of East Asian

regionalism. As other stakeholders such as Australia, India, and New Zealand, or the US did not play a critical role in forming the regionalism.

Japan

Japan position toward the East Asia regionalism can be determined by their policy in the CPTPP. Although Japan is considered to have the biggest role in the CPTPP, their followership from the East Asian countries are still limited to several countries. Therefore, Japan will persuade the members of East Asia to join the CPTPP. The lack of structural leader that poses a large market, such as China, in the CPTPP will be the main obstacle. When Japan can persuade all members to join and exclude China, it will then be an absolute win for Japan's diplomacy. If China joins CPTPP, however, it will give Japan an advantage because it will be able to set the agenda and giving China the option only to follow or be expelled from the regime.

Japan participation in the progress of RCEP will keep on progressing. As RCEP is an ASEAN initiative, Japan will not be going to leave and surrender the arena to China's dominance. Instead, Japan will help the RCEP to conclude and then in return, they will ask the East Asia region to join the CPTPP. The other scenario could be that Japan will keep a check on balance on the RCEP while rapidly progress to conclude the CPTPP and making the CPTPP attractive to the East Asian countries that will make them hard to refuse the offer of participating.

The difference between Japan's position in the CPTPP and RCEP is that in the CPTPP, Japan shall work harder to be able to fulfill it. In the CPTPP, Japan should manage to play as a structural and entrepreneur leadership role. Meanwhile, in the CPTPP, the role of entrepreneur is handled by ASEAN. Therefore,

March 11, 2018)

⁵⁰ The Strait Times. (March 10, 2018). CPTPP Keeps Door Open to New Members. (online). (<http://www.straitstimes.com/world/cptpp-keeps-door-open-to-new-members>, retrieved March 10, 2018).

⁵¹ East Asia Forum. (December 23, 2017). Is the CPTPP a Risky Gamble? (online). (<http://www.easiaforum.org/2017/12/23/is-the-cptpp-a-risky-gamble/>, retrieved March 11, 2018).

the best possible scenario for Japan is keeping the negotiation on RCEP while maintaining a small progress in the CPTPP. Therefore, when the deal of RCEP is concluded it will be a chance to leap China's dominance in the CPTPP.

China

China is one of many consistent variables in East Asia regionalism. From the creation of the APT framework, China has always been focusing on the deeper integration. Which means that China aims to limit its membership only to the APT members. However, since the RCEP is ASEAN's initiative – therefore making ASEAN taking the intellectual leader and entrepreneur leader – China must accept the fact that the ASEAN+6 format is the one that has been chosen by ASEAN. Leaving China, the option to take lead as structural leader. However, the presence of Japan will become a major obstacle as Japan intend to keep their presence in the RCEP as well as CPTPP.

In the case of Japan's CPTPP; China will less likely to join the group. Their idea of deep regionalism has always been their main interest as shown in (table 1). Although the members of CPTPP is more than the RCEP, China will be less likely to join either since they consider themselves the main attraction in dealing for any kind of FTA. In the CPTPP as well, China will not have the ability to take on as structural leader. Which also means it does not have the ability to enforce and set the 'rules of the game'. Therefore, making China will likely to refuse an invitation to the CPTPP.

ASEAN

ASEAN is the backbone of the East Asia regionalism and thus projected to play entrepreneur role in the regional leadership. As cited in Young's (1991), entrepreneur leader plays a significant role

as the deal-broker. When playing as a unity, ASEAN can play this crucial position as it has the most diversified market in the negotiation, thus making it has more offers than other countries. However, ASEAN can be considered as a unified entity or can be separated in certain issues. There are two possibilities of ASEAN's path in the East Asia regionalism. The first scenario is: ASEAN will force all party to conclude RCEP as ASEAN have shown its leadership as an entrepreneur leader. Then, it moves forward to join – either all members or some – the CPTPP and probably concluding it. In this scenario, ASEAN is forced to take a leadership role and having a close-to-equal position with China and Japan making them agree to conclude the RCEP. This is considered an ideal scenario where ASEAN will be able to take the role as entrepreneur leader and steer the path of the East Asia regionalism⁵².

The second scenario is where – it is most likely to happen – the ASEAN members will jump into the CPTPP and slowly progressing the RCEP. There are two main reasons for the third scenario. First, the East Asia regionalism pattern always seems to accept any larger organization. The establishment of EAS, although the APT has not been optimizing is one of the examples. Second, the negotiation in RCEP is having a huge obstacle⁵³; the longer it will be delayed, the bigger possibility that the ASEAN members frustrated and moving toward a more promising FTA regime. A similar case happens when the initiation of APEC FTA has not progressed so well and thus causing ASEAN members to lean toward ASEAN+

⁵² Fukunaga, Y. "ASEAN's Leadership in the Regional Comprehensive Economic Partnership," *Asia and the Pacific Policy Studies*, 2, 2015. p. 103-115.

⁵³ Business Mirror. (February 12, 2018). 'Big boys' Causing Delays in Conclusion of RCEP. (online). (<https://businessmirror.com.ph/big-boys-causing-delays-in-conclusion-of-rcep/>, retrieved March 11, 2018).

frameworks. The region also faces similar problems when the Doha round did not progress and moving toward bilateral trade agreements instead.

In conclusion, the future of East Asia regionalism path has once again become unclear. The main reason is that there is a great possibility of establishment of CPTPP will return the East Asia regionalism path back to membership problems. Previously, the East Asia regionalism is, at least, clearer with concluding RCEP will be the next step of East Asia regionalism. The establishment of CPTPP, however, have the possibility to tear the members of ASEAN into focusing on CPTPP or RCEP; once again just like choosing between APT and EAS.

Looking into the three key players' position in East Asia, it is fair to state that East Asia is making a significant progress toward regionalism, as their political-economic interest converges in mega-regional negotiations, either RCEP or CPTPP. Regardless choosing one economic cooperation or optimizing opportunity by participating in the two institutions, East Asia countries will benefit from the newly created balance in the region as the two arrangements provide bigger scope and market for economic cooperation. This opportunity opens door to create and strengthen regional value chain, as a natural indicator of regionalism. The newly created balance of leadership between Japan, China, and ASEAN with its own roles in East Asia also beneficial for regional stability as each leader will focus its resource to perform its roles, instead of inflicting conflict which will erode each credibility as leaders of the region. Corresponding to China and Japan rivalry history, the new balance also gives us reflection that two powers are actually able to cooperate, even in their contesting way.

Conclusion

While the future of Asia based mega-regionalism is still in dynamic, the negotiation has been concluded as for TPP/CPTPP or finalizing its form, as in the case of RCEP. Leadership competition among great powers of East Asia, Japan and China, toward the leadership of the region shifted by the withdrawal of the US in TPP and the establishment of CPTPP. Before US left TPP, Japan saw little opportunity to become a regional leader in the Pacific region, thus entered new playing field created by ASEAN in RCEP, brought Japan face to face again with China. The interaction between Japan, China, and ASEAN in RCEP, in fact, drove the negotiation forward, in which each power held different functional roles. As in Young's work, China and Japan could have played structural leader role, and ASEAN played entrepreneur and intellectual leader role. This dynamic is expected to shape East Asia Regionalism better than previous regional regimes in East Asia, as it creates a new balance in the region with equal roles to be upheld by each key players.

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