



The Political Implications of FTAs in Asia - Pacific Region

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1 Puzzle of FTAs in Asia - Pacific: from informal to formal arrangements

1.1 Production network in Asia-Pacific region

During the postwar era, there are three ways to integrate Asia-Pacific economies together: US-centered alliance system, the network of Japanese multinational corporations and overseas Chinese businesses connections. The regional economic integration has been impressive. However, there are new efforts to build more institutionalized trade relations in the last 2 decades. Why?

1.2 Different explanations: natural development of trade interdependence; failure of global trade arrangement; regionalism competition at global level; power politics, etc.

1.3 Security implication of trade

Trade could facilitate economic growth. One of the consequences of economic growth could be the changing distribution of power among major countries. Nation-state is concerned about the power shifting in an anarchic system. Then, established power confronts a dilemma: to further the economic connection or to increase the barriers for counterpart country to access their market. For the emerging economies, they need not only to renegotiate market access with established powers, but also to reassure countries that are concerned about potential military consequence of economic growth.

2 Great powers play different game

2.1 TPP, RCEP, Asia-Pacific FTA and others

2.2 Underlying logic of FTAs of great powers

The nature of FTA is to give alliances, partner or friendly countries preferential market access. Great powers negotiate FTAs strategically: to support partner countries or to limit potential rival countries to access their markets.

3 Political implications of China-Japan-Korea FTA

3.1 Security challenge in Asia-Pacific

3.2 Economic interdependence and domestic politics

3.3 Mutual trust building: vulnerability and signal

4 Concluding remarks: Why FTAs in Asia-Pacific proliferate?