

Asia–Pacific Inclusive Cooperation and China’s Strategic Choice

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Abstract Since the US took the lead in the Trans-Pacific Partnership (TPP) negotiations, the Asia–Pacific region has witnessed a growing trend in the “high-level” and “high-standard” regional cooperation. Based on a thorough analysis of the underlying causes of mechanism division, this paper argues that division may not necessarily lead to antagonism, and that favorable conditions have been created in the operation and interaction between TPP and “10 + N.” It further proposes some possible and practical ways that China should follow to achieve better compatibility and cooperation with other countries in the region, thus promoting common development.

Keywords Mechanism division · Asia–Pacific inclusive cooperation · China · The US

1 New Trends in and Features of Asia–Pacific Economic Cooperation

As generally agreed, three major turns can be identified in the development of trade and economic cooperation throughout the Asia–Pacific region. The first turn took place at the end of the 1980s, with multiple influences in the global context, standstill of the Uruguay Round, and acceleration of European integration in particular. During this time, several organizations were set up, including Pacific Economic Cooperation Committee (PECC) and Asia–Pacific Economic Cooperation (APEC). The establishment of these organizations signals the beginning of the mechanism construction of the region. The second turn was primarily caused by the 1997 Asian financial crisis, after which regional and sub-regional cooperation as well as bilateral free trade agreements gradually became the mainstream forms of

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cooperation in the region. Since 1990s, ASEAN has been playing a dominant role in various regional cooperation mechanisms in Asia, such as the ASEAN Regional Forum (ARF), the East Asia Summit. ASEAN has also signed, respectively, five FTAs with China, Japan, the ROK, India, and Australia. Almost all of the Asian economic mechanisms are followed the “ASEAN Way.” The main content of the “ASEAN Way” refers to the equality of members, non-interference in internal affairs, and co-existence. However, APEC, with its lofty goals, remained relatively inactive for over 10 years, with very limited achievements. The third turn is brought about by TPP negotiations initiated by the US Obama Administration. These negotiations not only signal a significant shift in American foreign policy from a Middle Eastern/European focus to a rebalancing toward the Asia–Pacific, but also lead to a series of chain reactions, including Regional Comprehensive Economic Partnership (RCEP) and China–Japan–South Korea Free Trade Talks. Currently, the Asia–Pacific region continues to see development in progress to accommodate the third turn, for the uncertainty involved in the ongoing trade negotiations like TPP and RCEP, which are relatively new.

The predecessor of TPP is the 2005 Trans-Pacific Strategic Economic Partnership Agreement (TPSEP), known also as the Pacific-4 (P4) as a trade agreement among Singapore, Chile, New Zealand, and Brunei. It was officially named Trans-Pacific Partnership (TPP) after the US joined the agreement in 2009. Up until 2014, altogether 21 formal rounds of TPP negotiations have been held, and altogether 12 countries¹ have entered into the agreement. With regard to economic power, they are responsible for 40 % of the world’s GDP and over 30 % of the world’s trade. In terms of scope, they include over half of all members of APEC (21 countries) and will further develop with growing influence if joined by potential members of South Korea, the Philippines, Thailand, and Taiwan.

Designed to serve as model for “innovative and high-standard free trade agreement in the 21st century,” the TPP agreement enjoys a twofold advantage, i.e., in aspects of liberalization and scope. In terms of the degree of liberalization, TPP observes a “Principle of Nondiscrimination.” That is, once the agreement comes into effect, tariffs on over 95 % of the goods will be eliminated, while a seven-year transition time will be allowed for the remaining goods to be tariff-free. In terms of scope, TPP not only deals with tariff and quota cut in the traditional free trade area, but also aims at harmonization of national law and standards concerning environmental protection, labor standard, intellectual property, competition strategy, etc. to grow from “exchange of market access” toward “exchange of national reform.”

There is little doubt that TPP epitomizes US strategy in the Asia–Pacific region. First of all, the TPP agreement is found largely in favor of national law of the US and principles prescribed in previously signed free trade agreements, regardless of its origin in TPSEP Agreement. Secondly, it is obvious that the US government is greatly influenced by interest groups and multinational companies within the country in its choice of topics covered in the negotiation. In particular, it lopsidedly

¹ Member countries of TPP include New Zealand, Singapore, Chile, Brunei, United States, Australia, Peru, Vietnam, Malaysia, Mexico, Canada, and Japan.

focuses on competitive industries such as property rights, digital economy, and financial service in the hope of promoting its overseas market. In contrast, it remains rather defensive or evasive even in dealing with less advantageous industries like textile and sugar. Besides, TPP is also adopted by the US as an opportunity to modify some of the less favorable treaties signed in the past. For instance, Chapter 19 in North American Free Trade Agreement (NAFTA) is believed to have rendered the US national anti-dumping law practically invalid. However, with the entry of Canada and Mexico into the TPP negotiation, chances for the US to modify the treaty are much improved (Michaud 2011).

The unjust trade rule in TPP forced along by the US is detrimental to the interests of other member countries, including Vietnam, which is regarded as a “communist state” by the US as well as such founding countries as Brunei and New Zealand. Notwithstanding, it seems that TPP still has its unique appeal, absorbing more member countries. The main reason for the attractiveness of the trade treaty lies mainly in the way of cooperation proposed in TPP. Previously, in the heyday of the prevailing “10 + 1” and “10 + 3” models, regional cooperation across Asian countries primarily followed the “European Union pattern” which laid much emphasis on gradual progress and negotiated agreement. The developed countries led by the US, Australia, the Philippines, etc., however, intended to surpass the existing EU model for promotion of economic integration in the Asia–Pacific region. Therefore, TPP as the so-claimed “model for the upcoming generation of free trade agreement” is well expected to cater to the needs of these economic powers. Moreover, countries like Vietnam and Japan tend to regard the high standard and barrier to entry of TPP as the irreversible trend of economic development disregarding their own limitations in meeting the high-standard conditions required for talks on free trade area. And they are making nationwide efforts to live up to the requirements prescribed by TPP.

The underlying pattern for the accelerated cooperation in the Asia–Pacific region is therefore not indiscernible. That is, two patterns for regional economic integration running in parallel: one is the US-leading TPP, aiming at high-level and comprehensive economic liberalization; the other is the China-leading Asia–Pacific economic integration, which is based on the traditional “10 + 1” and “10 + 3” models as well as the upcoming negotiations of RCEP and China–Japan–South Korea Free Trade Talks. The latter highlights practical rules of cooperation while attending to specific needs of countries of various development levels, hence a pattern featuring inclusiveness, early rewards, and multiplicity.

2 Causes for Division within the Asia–Pacific Region

A free trade area by its nature is a free trade agreement signed with discrimination against the third party, thus flagrantly violating the “most favored nation” rule in the World Trade Organization (WTO) Framework. Legally speaking, this rule ought to serve as the cornerstone for the maintenance of the multilateral trade system,

whereas the free trade area exists merely as an “exceptional” rule outside the WTO Framework.² However, history has shown that setbacks in multilateral trade negotiations are almost always found in the company of rising free trade areas. In the 1990s, as the Uruguay round of negotiation grinded to a halt, regional cooperation in areas like the EU, NAFTA, and APEC started to unfold, leading to a “new trend of regionalism” (Mansfield and Milner 1999, pp. 599–627). Similarly, the turn in APEC is of close relevance to the Doha Round. On the surface, the standstill of the negotiation is the direct reflection of mechanism division in Asia; however, a further exploration into the issue would suggest that both may have resulted from exactly the same factors.

2.1 Dissension in the Asia–Pacific Economic Cooperation Reflects the Disagreement in the Doha Round

What have put sand in the wheels of the Doha Round are two diametrically conflicting opinions. On the one hand, developed countries believe that over the past few decades, emerging economies have taken full advantage of globalization and the powerful open market, without, however, shouldering the responsibility proportionate to the benefit they have reaped in the global trade system. Therefore, they preached the so-called “fair trade” and “equivalent opening-up.” In the Doha Round, developed countries attempt to go beyond negotiation over the conventional issues of border measures, which mainly focus on tariff cuts, and instead put forward a series of new high-level rules concerning government procurement, intellectual property protection, labor conditions, competition policy, etc. issues considered as “inside-border.” On the other hand, developing countries see the disguised intention of the developed countries in these high-level trade rules to exert a subtle influence over their national system. Therefore, they stand strongly against incorporating “inside-border” issues into the negotiations, and meanwhile further appealing for differentiation and discriminated treatment. Due to such wide dissension, the Doha Round, which was scheduled to be closed by 2005, reaches a deadlock, the future of which still remains uncertain.³ Hence, regional economic cooperation has become the suboptimal option for economic giants in their efforts to push forward reform in trade rules, thus leading governance of global economy from a multilateral toward a regional focus.

2.2 The Financial Crisis of 2008 Gives Rise to the Initiation of TPP By the US

The 2008 global financial crisis has savagely revealed the pitfalls of America’s dependence on imports, and gravity of the problem in being burdened with large trade and financial deficits and debts (Du 2011, p. 46). Since the large trade deficit is the primary drive for the US to resort to its debt-financed economy, increasing

² In the WTO Framework, only three articles are found relevant to Free Trade Area (FTA): GAIT (24), article accounting for customs union and free trade area; GATS (5), agreement on the liberalization of services trade; article on authorization, i.e., agreement on differentiation, more favored treatment, reciprocal benefit, and further involvement of developing countries.

³ Despite the series of consensus achieved over the Bali Round on 7 December 2013, it is merely a small part of the Doha Round agenda.

exports to reverse the trend and to reduce trade deficit has become the key issue in the Obama Administration’s economic recovery plan. President Obama announced the National Export Initiative in his 2010 State of the Union address to renew and revitalize efforts to promote American exports. He made a public commitment to double exports and to create 2 million employment opportunities by the year of 2015. It was at almost the same time that the TPP talks started to unfold. The President’s 2012 Trade Policy Agenda issued by the US Trade Representative blatantly pointed out that TPP is devoted to creating new opportunities for trade and cooperation in the Asia–Pacific region, in order to improve US economy and to stimulate employment (USTR 2005).

2.3 A Domino Effect Speeds Up Mechanism Division within the Asia–Pacific Region

In the light of the Domino Theory of Regionalism, efforts made for economic integration of a certain region will necessarily lead to draining in trade and investment, which causes harm to the profits of nonmember exporters, thus motivating them to join. The nonmember exporters in their efforts to avoid potential damages to their benefits by seeking membership or forming a new bloc give birth to the regional cooperative organizations (Baldwin 1993). This theory which was originally proposed to account for the establishment of NAFTA and APEC with the speeding-up European integration remains valid still in the Asia–Pacific case. According to the estimation by Peterson Institute for International Economics, exclusion from a free trade area in East Asia may cause at least an annual loss of \$25 billion in exports, which equals the cost to create about 0.2 million high-salary job opportunities (Scollay 2004). Therefore, the motivation for US’s initiating TPP negotiations is, to a large extent, to restrain the “10 + 1,” “10 + 3” organizing mechanism within the region, for fear of an East Asian bloc which expels the US. However, in response to the imposed TTP agreement, based on the established framework of cooperation, i.e., the five “10 + 1” model. Association of Southeast Asian Nations (ASEAN) has allied with China, Japan, South Korea, Australia, New Zealand, and India to launch the RCEP talks, as opposing to TPP. In this regard, the Domino Effect may serve as an adequate model to account for the fierce competition between regional economies, which has practically promoted the division and development of the Asia–Pacific region.

2.4 Declining of “the Second Surge of Globalization” is the Fundamental Cause for Mechanism Division in Asia–Pacific Economic Cooperation

The second surge in the trend of globalization came at the later stage of the Second World War, when the US established its multilateral economic system, which removed restraints on capital, exchange rate, and trade, in virtue of its overwhelming economic and military power. It also set up a series of international economic organizations such as International Monetary Fund (IMF) and General Agreement on Tariffs and Trade (GATT). The surge of globalization, which peaked after the Cold War, saw the active involvement of these organizations in the economic

transformation of Central and Eastern Europe and other developing countries, propelled by the emerging neo-liberalization as manifested in “Washington Consensus,” etc. Trade liberalization also made considerable progress at that time, with WTO officially taking the place of GATT, and tariff rates for developed and developing countries reduced to 4 and 15 %, respectively. However, the favorable situation was reversed after entry into the new century. That is, rise of the emerging economies greatly undermined the leading role of the developed countries in economic globalization. In the lasting economic downturn, developed countries such as the US attempt to restore their hard and soft power by their guiding part in regional cooperation, which was also indicative of collaboration.

3 Foundations of Asia–Pacific Compatibility and Cooperation

The undeniably increasing attention TPP has received in recent years in the Asia–Pacific region, and the great efforts in some countries invest in TPP talks have, to some degree, deferred the further integration of Asian economy based on established models of “10 + 1,” “10 + 3,” etc. However, it does not suggest that TPP and “10 + N” have to alternate to prevail.

First of all, new mechanisms such as TPP and RCEP reinforce rather than undermine the “spaghetti bowl” phenomenon in the Asia–Pacific region.⁴ That is, various emerging and relatively independent organizations within the Asia–Pacific region, each with its own focus and commitment, contribute to such diversity, hence breaking the monopoly of APEC. Aside from the “10 + 1” cooperative mode adopted by ASEAN and six of its major trading partners: China, Japan, South Korea, India, Australia, and New Zealand, there are more than 40 or so other FTAs which are in operation, negotiation, or blueprint. Similarly, it is clarified in the *Guiding Principles and Objectives for Negotiating the RCEP* which was issued in 2012 that RCEP is neither an integrated FTA nor will the agreements ultimately reached in the negotiation exert an influence on the effectiveness of the existing “10 + 1” cooperation mechanism (ASEAN 2012). Despite its pronounced goal to solve the “spaghetti bowl” issue, the sluggish progresses the negotiation has made so far casts serious doubt on the validity of applying the country-of-origin rule to the TPP negotiation with its increasingly complicated nature. To put it another way, not dissimilar to RCEP, TPP is likely to fail in its attempt to replace the existing bilateral FTAs, reducing itself to yet “another piece of spaghetti” (Shen 2012, p. 9).

Secondly, TPP and the “10 + N” cooperative mechanism are distinctively functional, in that each has its own role to play in a unique manner. Unlike the TPP talks, which is mainly industry specialty-based and is practicality-driven, the “10 + N” mechanism enjoys a hierarchical organization, which operates at different levels in forms of annual exchange mechanisms of the heads of states, ministers, high-

⁴ The “spaghetti bowl” phenomenon refers to the complication which arises from the application of domestic rules of origin in the bilateral free trade agreements across nations.

ranking officials, as well as workgroups.⁵ In practice, the “10 + N” mechanism consists of around 50 different dialogs and forums and 14 ministerial negotiations. The TPP initiatives though may have been dwarfed by the multiple roles “10 + N” model assumes, it boasts some distinguishable merits of its own. For instance, it is noteworthy that the “10 + 6” initiatives had remained largely some research agenda, and that the ASEAN countries are enabled to rapidly launch the RCEP talks to safeguard their unmanipulated governance but for the growing influence of TPP. Hence, instead of replacing or disabling the “10 + N” mechanism, the establishment of TPP plays a positive role in providing guidance and motivation, thus breaking the standstill in regional cooperation among Asian countries.

Furthermore, premised on the opening-up rule, a certain FTA membership of one country does not necessarily prevent it from joining other FTAs. For example, after its involvement in the TPP negotiations, Australia again made itself a co-initiator of the RCEP talks. Similarly, as a big supporter of regional cooperation among Asian countries, South Korea is now considered a potential member of TPP. Apparently, it is therefore a less than appropriate attempt to regard TPP and “10 + N” as two conflicting “camps” given the fact that the two are composed of almost the same member countries. A more apt metaphor in this regard is two closely related and intersecting paths, both leading toward the Free Trade Agreement of the Asia–Pacific (FTAAP).

Last but not least, the ambitious goals pronounced by TPP are certainly not free of challenges and difficulties. The hasty conclusion that TPP aims at healthy competition and growth rather than “race to the bottom” is but derived from the oversimplified view to regard TPP as the model for virtually all free trade agreements in the 21st century. However, the continuously postponed TPP talk has battered public confidence in its initiatives and has laid itself open to suspicion that the US’s “refocusing on the Asia–Pacific region” is but some boastful commitment. In fact, theoretically speaking, the prospect to establish high-standard FTAs which incorporate a comprehensive arrangement of departments and multiple participants is more suspicious than real. Or in other words, the ideal TPP is, to a large extent, the “impossible triangle.” General talks on the FTA can be achieved in exceptional ways, some of which may seem not at all special in bilateral FTAs, yet will be complicated in a multilateral FTA context. For instance, despite the restraints it imposes on importing dairy products from New Zealand, the US wishes to sell its own dairy to Canada. Similarly, while it refuses to accept the application of “investor-state dispute resolution” to Australia, it forces the settlement upon Malaysia and Vietnam. And countless similar cases, which mostly result from the complexities involved in comparative advantage, have given rise to a number of exceptional cases and chaos in a mixture of conflicting and competing rules. If TPP can be reduced to a regional cooperative mechanism which integrates the original free trade agreements and which discriminately applies to different countries, the

⁵ Workgroup sessions are held frequently on unfixed schedules, with participants including administrators, working staff, and scholars from research centers or institutional organizations.

“institutional divide” between the TPP and the “10 + N” mechanisms will cease being great.

In addition, more recent discussions surrounding TPP have seen a change in focus, which is diverted toward a inclusive and cross-fertilizing relationship among its member countries. However, TPP was not well received in the first place. As a matter of fact, due to serious concerns about the potential negative effects, the high-standard rules would likely have on its national policy or even its organization and the confirmed concern about “balancing” the effect of Chinese economy as one of the objectives of TPP, China remained mostly conservative or critical, toward the initiated negotiations. The tension caused by such concerns started to ease off with a welcoming gesture made in May 2013 by Francisco Sanchez, undersecretary of the US Department of Commerce, when he explicitly invited China to join the TPP club. The invitation therefore was soon accepted by the Chinese government in its positive reply that it would drop the wait-and-see attitude and would “make a thorough analysis of the proposal, including its potential gains, losses and possibilities.” The exchange of friendly gestures between China and the US has ground out the impeding factors in politics and foreign relations which stand in the way of economic cooperation in the region, hence adequately safeguarding APEC and its compatibility.

In summary, each in their own efforts to obtain more resources for benefit of the country, China and the US would inevitably become competitors in their economic and trade cooperation, which is not necessarily to be sabotaged by rivalry. And a cooperative principle which highlights compatibility, and which argues for mutual benefits achieved without conflict, would undoubtedly better serve the common interest of China, the US, as well as the Asia–Pacific region.

4 China’s Leading Role in Asia–Pacific Compatibility and Cooperation

It is noted that compatibility and cooperation among Asia–Pacific countries are not only necessitated by the economic development, but is found also in line with the fundamental national policies of China, which lays emphasis on compatibility in development. First, the high-standard rules prescribed in the TPP talks could lend support to the nationwide economic reform, which is of particular significance in today’s global economy, as it begins to see decline in its steady growth and as profit distribution gets fossilized. Besides, the aforementioned weakness within the previously prevailing liberalization mode of cooperative development, represented by the “10 + N” mechanism, lies mainly in its sluggishness. Such drawbacks result from variedness in levels of development of different regions, and will in turn bottleneck the furthering of economic integration of the region. Hence, the more open attitude China adopts toward TPP will help boost the regional cooperation and growth in Asia. Specifically speaking, China’s leading role in the inclusive and cooperative development of the Asia–Pacific region is mainly manifested in the following aspects:

First of all, it will help promote the forming of a strategic organization of FTAs, thus updating China’s FTA network. Since 2008, a growing number of FTAs have

been added to the picture, with New Zealand, Singapore, Pakistan, Peru, Costa Rica, Iceland, and Switzerland signing to become FTA partners to China, making over 60 % of the total number of FTAs. Moreover, China's FTA network has been expanding not merely in terms of the growing number of FTAs and geographical space, but due attention has also been paid to improving quality of the established FTAs. For instance, China-Japan-Korea (CJK) investment protection agreement was signed in May, 2012; in November the same year, the FTA talks among the three countries were officially launched. It thus violated the conventional order which sees agreement gradually expanding to cover goods, services, and eventually investment. In July 2013, several breakthroughs were made in the Sino-US investment negotiations, including such thorny issues as pre-establishment national treatment (PENT) and negative list, hence a giant leap taken toward high-standard rules in updating China FTA network. With its first experimental FTA established in Shanghai, China has put into practice its various reform initiatives in foreign investment management as well as in its economic and legal systems. In light of the acknowledged fact that the essence to battling the challenges brought about by the globalization of FTAs lies in a country's efforts to update its own FTA network, it is essential for China to resume efforts in its national reform to better accommodate these changes, hence improving the overall growth of its FTA network.

Secondly, it will coordinate different rules of origin and help promote diversity in regional development. The establishment of Sino-US relations in a new era stays at the center of Asia-Pacific or even global economic governance. Presently, trade talks between China and the US still focus on solving the diversity issue, i.e., the coordination and integration between high-standard FTAs to which TPP is a typical case, and East Asian countries with relatively low entry standards. Theoretically speaking, both TPP and RCEP uphold the principle of "open access membership," which renders it impossible for the application to join the negotiations made by China or the US to be declined by any organization. The proven fact is, however, exactly the opposite. That is, it is virtually impossible for the US to join RCEP in the short term, because the standard prescribed by RCEP turns out to be too low to be approved by its National Congress. In regard to China's entry into TPP, the fix used to lay in the seemingly trivial difference between "accepting the invitation" and "making an application." Such dissent on this issue reveals the concerns and suspicion that both countries have on laying down TPP rules, dispute over which still remains outstanding despite the friendly gesture that both countries have exchanged on China's potential involvement in TPP. Disregarding its future relationship with TPP, China is neither expected to follow the US market-oriented cooperative model to the extreme nor is it expected to regard TPP as the only ordered and gradual path toward a well-established Asia-Pacific FTA network. Accordingly, it is necessary for it to stick fast to its policy which highlights multiple paths of development, compatibility, and reciprocal benefits in extending its economic and trade relations. Furthermore, economic development and regional cooperation of various kinds are expected to work in a complementary and coordinated way to enable experimental efforts in integrating and expanding regional cooperation of all types and levels. The emphasis on compatibility and diversity in dealing with regional cooperation is conducive to China's pushing forward its policy in playing the leading role well.

Moreover, the power of TPP is not to be overestimated in China's endeavors to guide regional cooperation. The fact that China has already made itself a guiding power in Asia-Pacific economic integration not denied, China's economic and trade relations with neighboring countries are on the rise. As Foreign Minister Yang Jiechi positively noted at the first press conference of 12th CPC National Congress, that in 2012 China's trade volume with its neighboring countries amounted to \$ 1200 billion, exceeding the total trade volume that it enjoys with Europe and the US. It has actively adopted an "Early Harvest Program" in the establishment of China-ASEAN FTA, opening-up its market to ASEAN countries earlier to lay more solid foundation for the establishment of the FTA. Besides, it also endeavors to promote an economic cooperation mechanism within the "10 + 3" framework. In 2002, the East Asia Study Group (EASG) proposed a phased objective in building an East Asian community, in which the establishment of East Asia Free Trade Area (EAFTA) composed of ASEAN, China, Japan, and the ROK was set as one of the medium and long time objectives. China became a major supporter of EAFTA. To bridge policy difference between China and Japan, both sides jointly proposed in "ASEAN + 6" Economic Ministers Meeting in August 2011, the establishment of working groups on trade. On August 30, 2012, "ASEAN + 6" leaders issued a joint statement announcing that RCEP negotiations would commence in early 2013. In 2010, with the establishment of Asian foreign reserve, Chiang Mai Initiative on multilateral trade came into effect. Therefore, Asian countries have gained greater economic impact, whereas the US economy has been seriously battered in the global financial crisis. Its complex constituents, difficult entry, its large number of participants, with both common and conflicting interests, have all added to resisting forces for the TPP talks, the future of which is still unclear. In other words, it is a more sensible decision for China to make if it resumes its efforts in promoting and improving the established cooperative network with other Asian countries than to join the talks immediately, with the impact of TPP not yet fully acknowledged. Withdrawing from participation for the moment sees the best option in favor of safeguarding the country's interest.

In its competition against other economic powers in FTA strategy design, it is of immediate relevance for China to balance between "active involvement" and "keep the bottom line." That is, it is unwise for it to join the high-standard FTA negotiations initiated by developed countries in haste, and to submit to the trade rules which are imposed on it beyond its own development level. Nor is it wise to reject all invitations of various kinds, in which case, it would be excluded from the global picture of cooperative integration. As President Xi Jin-ping pointed out in his speech at the Boao Forum, "China expects rapid progress in its communication, cooperation, and integration with its neighbors, actively involved in removing regional financing constraints for better economic integration and competitiveness of the region...China will lend unswerving support to the opening-up and cooperation between Asia and other regions, in a joint effort to promote regional development and global governance." In practice, one of the sensible ways to get started is offering to provide regional public goods to its neighbors, which will boost the Asia-Pacific economic integration, partially offsetting the trade loss caused by attacks developed countries launched on FTAs.

As set forth, the U.S. launched the TPP negotiations in order to open Asian markets and regain dominance in the APEC. In other words, TPP will not satisfy the former “exchange in market entry” pattern which aimed at eliminating tariffs and other barriers, but demand the negotiating countries to achieve deep integration of rule management on the open management. Thus, TPP is much more than “complementary measures” in the U.S. “return to Asia” strategy. Under this definition, if China choose to join in the TPP negotiation, it is very tough to weigh the gains and losses of Chinese economy. It is also noteworthy, however, that the merits of high-standard FTAs, such as the policies on environmental protection, competition, etc., are found largely inclusive with economic reform and development of China. In this regard, it would be another favorable opportunity to accelerate national reform by opening-up. Additionally, it is necessary for China, as an emerging economy, to make full and enterprising use of its own advantages to efficiently improve its FTA network, fight against unfair rules with other countries, and to safeguard common interests of developing countries.

Unlike the pattern of TPP negotiation, the “10 + X” model follows the “ASEAN Way” and rejects to sign a package agreement. In view of the huge difference of countries concerned and the difficulty in integrating exiting free trade areas, the “10 + X” will keep advancing through a step-by-step manner, by seeking common ground while reserving differences and by building consensus. For example, the “Early Harvest Program” is created by China and ASEAN in 2002. Besides, China-Japan-Korea FTA negotiation is also the core of China’s East Asia economic and trade strategy. Specially, China-ASEAN FTA and Korea-ASEAN FTA have many same categories in goods, services, and investment. Therefore, China should more easily get advantage of these similarities and integrate economic cooperation in East Asia. Therefore, the golden opportunity for China to get actively involved in the global system of trade and economy is by no means to be dismissed. Its positive role to play in the new era of FTA network expansion and improvement will surely be of benefit to China and the world.

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