

Spring 5-18-2019

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Scott Halsted
halstedscott@gmail.com

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Recommended Citation

Halsted, Scott, "The Battle of the Powers: Newly Obtained Benefits from the Revitalised Trans-Pacific Partnership Agreement" (2019). *Master's Projects and Capstones*. 916.
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THE BATTLE OF THE POWERS: NEWLY OBTAINED BENEFITS FROM THE
REVITALISED TRANS-PACIFIC PARTNERSHIP AGREEMENT

Scott Halsted

APS 650: Capstone Project - Professor J. Nelson

Master of Asia Pacific Studies – University of San Francisco

May7, 2019

Abstract

The Trans Pacific Partnership (TPP) agreement would have been the most sizeable free trade agreement in history. The agreement was set up by the Obama administration as an economic benefactor plus geopolitical tool to maintain the balance of power in the Asia Pacific region, rivaling the power of China. However, numerous politicians within the Trump administration, plus multiple political opposers including Hillary Clinton and Sen. Bernie Sanders, were major advocates for the U.S. removal after realistically adjusted estimates of the TPP showed economic benefits not equating to original estimates. However, the United States withdrawal raises significant successes that can be achieved for signatory members through four main factors of the Comprehensive and Progressive Trans Pacific Partnership (CPTPP); economic, political, environmental and developmental factors. A key effect of the “new” CPTPP is the ability for a power shift to occur between the countries in the Asia Pacific, thus enabling smaller countries to obtain a greater degree of power, letting their voices and agendas be heard. This paper will draw data sources from the World Bank and elsewhere to show GDP statistics and significances for all nations in the CPTPP. Key findings of the paper consist of four main factors aiding the signatory members of the CPTPP agreement to achieve success from the U.S. withdrawal. In addition, allowing China to gain control of power in the Asia Pacific through reduced U.S. hegemony gives China additional trade opportunities thus expanding its economic capabilities. The ever-increasing economic standpoint of the region will persist, coupled with increasing living standards and member governments able to capitalize on the growth of the CPTPP.

Keywords: *hegemony, power shift, CPTPP, development, geopolitics*

Introduction

Several countries within the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), including China, in the Asia Pacific region have gained a great opportunity to develop influence and grow as nations since the United States (U.S.) withdrew from the Trans Pacific Partnership (TPP) in January 2017. The creation of the TPP, with the U.S. administering the agreement and China excluded, was strategically produced to undermine the Chinese economic upsurge. That being said, the U.S. placed huge amounts of pressure on China to either reject the TPP agreement (thus losing major trade agreements in the Asia Pacific region) or accept the TPP agreement and be subjected to the demands set by the subduing U.S..¹ The Obama administration worked the agreement to maintain the power balance with China in the Asia Pacific region. Starting TPP negotiations in 2008 with only eight initial members (four already enjoying trade agreements with the US), adding the remaining countries with little significance for U.S. economy, was simply to add a geopolitical strand to the agreement to balance the power of China and remain a present power in the Asia Pacific region.²

The countries that can benefit mostly from the U.S. withdrawal encompass characteristics of a lower economic and influential standpoint within the region when compared to the larger countries within the CPTPP, for example Brunei, Chile, Peru and New Zealand compared to Japan, Canada and Australia. The U.S. withdrawing from the TPP reduced its hegemonic power in the Asia Pacific region as well as questioned its

¹ Jacqui Fatka, "CPTPP now puts U.S. at Competitive Disadvantage," *Feedstuffs*, January 14, 2019, 9.

² Paulina Matera, "China as the Strategic Competitor in the Debate on TPP in the United States," *Interdisciplinary Political and Cultural Journal* 22, no. 1 (Dec 2018): 87. [Web](#).

reliability when entering future negotiations.³ This decision played to the strength of China, now able to dominate and use their power to maintain a strong-hold of the Asia Pacific. In addition, the reduction of U.S.- based hegemonic power in the region has enabled the regional reorganization of small or middle countries, especially countries in ASEAN, to increase economic and political standings of these countries.⁴

The TPP was an extensive regional free trade agreement that eliminated 98% of barriers of trade between all members as well as including vast economic benefits increasing world income by US\$295 billion per year. Significantly, it purposely excluded China.⁵ The TPP agreement stood as the largest trade agreement in the world with signatory members including the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. The agreement was estimated to produce nearly 40% of the world's GDP alone, standing 12% higher than the European Union's world GDP contribution.⁶ These numbers would have severely hindered the rising economy of China. However, these estimates were portrayed under excellent conditions that were impossible to produce in reality.

The CPTPP was formed less than a year post TPP collapse. Despite the fact the estimated economic benefits of the TPP significantly outweighed that of the CPTPP, the

³ Matthew Goodman, "From TPP to CPTPP," Centre for Strategic and International Studies, Uploaded March 8, 2018, [Web](#).

⁴ Ponciano Intal, "East Asia's Transformation and Regional Architecture," *Asian Economic Integration in an Era of Global Uncertainty*, Australia: ANU Press, (2018): 235-58.

⁵ Peter A. Petri, Michael G. Plummer, and Fan Zhai, *The Trans-Pacific Partnership and Asia-pacific Integration: A Quantitative Assessment*, Peterson Institute of International Economics, vol. 98, 2012. [Web](#).

⁶ Dereck Pierce, *The Trans-Pacific Partnership: Key Provisions and Strategic Implications* (New York: Nova Science Publishers, 2016). [Web](#).

unity of the signatory members, with Japan taking the lead role in salvaging the deal, expresses the level of influence multiple countries can provide when acting as a collective.⁷ The majority of the original TPP agreement remained intact within the renegotiated CPTPP, excluding the material demanded by the U.S. such as strict copyright enforcement, rules on biological drugs and investor-state dispute settlements. The progressive nature of the CPTPP encompasses the striving for development in all countries. The agreement specifies the steps needed by each country: economically by gradually reducing trade barriers between countries; politically via increasing transparency in governments; environmentally through strict environmental laws and regulations; and developmentally by increasing trade thus increasing public spending plus living conditions.

The CPTPP differentiates from other major world free trade agreements as the provisions are much more profound and much broader.⁸ This complex agreement incorporates a nation's financial, electronic, service, trade, and development sectors, creating a large network that will aid development and establish a level playing field for smaller countries in the agreement.⁹ The inclusion of full transparency of all countries will support developing countries where corruption is proven more prominent, as well as new environmental measures to encourage action of the extremely rapid issue of climate

⁷ Christopher F. Corr et al., "The CPTPP Enters into Force: What Does it Mean for Global Trade?" International Trade, White and Case, Published January 21, 2019, [Web](#).

⁸ Ibid.

⁹ Government of Canada, "How to Read the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)," Trade, CPTPP, Modified February 15, 2019, [Web](#).

change.¹⁰ The World Bank Group President Jim Yong Kim proclaims climate change will have a profuse effect on South Asia and the Asia Pacific. He stated that if the earth warms by two degrees centigrade, more intense cyclones, heat waves and extreme food shortages will occur. For South East Asia, coastal cities are most at threat from massive flooding in cities and inundated low-lying cropland with saltwater corrosive to crops that would ultimately destroy homes, lives and the agricultural industry in the area.¹¹ The poorest communities residing in these coastal cities in South East and East Asia would likely become climate refugees; a term used to describe persons that have been forced to flee their home or country, leaving family, jobs, homes and life behind, due to natural disasters as a byproduct of climate change. The UN and World Bank have for the first time recognized these refugees as a result of climate change and state more than 140 million people could migrate within South Asia, Sub-Saharan Africa and Latin America by the midcentury.¹² Areas in the world with a direct link to the CPTPP that can be changed through the agreements environmental laws and regulations. Without immediate change, by 2030 over 100 million people could be put into poverty from the impacts of climate change.¹³

With the CPTPP agreement in force, the countries in the agreement are able to benefit from the economic and political strands incorporated, alongside China benefiting

¹⁰ Yanyan Xiao et al., "The Corruption Footprints of Nations." *Journal of Industrial Ecology* 22, no. 1 (2018): 70. [Web](#).

¹¹ The World Bank, "What Climate Change Means for Africa, Asia and the Coastal Poor," News, Uploaded January 19, 2013, [Web](#).

¹² Carolyn Beeler, "UN Compact Recognizes Climate Change as Driver of Migration for First Time," Climate Change, Public Radio International, Published December 11, 2018, [Web](#).

¹³ The World Bank, "Climate Change Overview," Overview, Climate Change Home, Understanding Poverty, Updated April 2, 2019, [Web](#).

from reduced U.S. hegemony. The enforced restrictions towards China, by the U.S. in the TPP, acted as a reaction to its rapidly increasing economy and military. These restrictions included limiting China's trade opportunities in the Asia Pacific as well as increasing U.S. soft power and alliances in case of a China confrontation in the region. However, the strategic position of the TPP agreement to obstruct China is not solely the purpose of the agreement. China reacted to the TPP with the prospect of the Regional Comprehensive Economic Partnership (RCEP) accounting for a population of 3.4 billion people coupled with the GDP production of US\$49.5 trillion, roughly 40 percent of the world's GDP whilst excluding the US.¹⁴

The signatory members of the CPTPP can achieve success from the revitalized TPP agreement through four main factors: economic, political, developmental and environmental benefits. In addition, China can gain success from the U.S. withdrawal from the TPP by obtaining more control over the Asia Pacific region whilst increasing its trade agenda through reduced U.S. hegemony. This paper will delve deeper into these four main factors throughout, highlighting the benefits that can be obtained from each.

United States TPP Withdrawal

Why Was It Done?

The benefits that were in due course to be delivered from the TPP agreement, with the inclusion of the United States, could never be grasped by the U.S.. Withdrawing from the TPP occurred on the first day of Donald Trump's presidential "reign" in January 2017; the first of many alterations he intended to make to depose any work from the previous administration.

¹⁴ Stefani Ribka, and Linda Yulisman, "RCEP Talks Speed Up Amid TPP Failure," The Jakarta Post, Business. Uploaded December 7, 2016, [Web](#).

However, this decision to withdraw from the TPP was not impartially President Trumps' view. From the very beginning of the 2016 Presidential campaign, both Donald Trump as well as Hillary Clinton publicly opposed the TPP agreement. As far back as April 2015, Trump voiced his opposition tweeting the "Trans-Pacific Partnership is an attack on America's business... This is a bad deal." (@realDonaldTrump, April 22, 2015).¹⁵ Notably, multiple Democratic party members opposing Trump such as Senator Bernie Sanders and Senator Sherrod Brown were strongly against the TPP, claiming with relief the deal was dead and gone from the U.S.' trade deals. Moreover, Sanders stated the U.S. has experienced a decline of decent paying jobs in addition to lowered wages due to 30 years of damaging trade agreements with China and others.¹⁶ Hillary Clinton opposed the TPP claiming it kills jobs in America as well as lacking provisions of patient protection from pharmaceutical companies in poor countries.¹⁷ Of course, many noteworthy individuals criticized the U.S. withdrawal from the TPP. The former foreign policy adviser to the Canadian Prime Minister, Roland Paris, expressed his views that the U.S. withdrawal acted as a major milestone in America's retreat from global leadership, ultimately creating a big win for China in the Asia Pacific region. This win sparks relief for China as the TPP was limiting China's economic agenda by restricting trade opportunities within the Asia Pacific by means of Japan and Australia resorting to the U.S. for major necessities. In addition, the late Senator John McCain spoke out against the

¹⁵ Donald Trump (@realDonaldTrump), "The Trans-Pacific Partnership an attack on America's business. It does not stop Japan's currency manipulation. This is a bad deal." April 22, 2015, [Twitter](#).

¹⁶ Allan Smith, "Reaction to Trump's Withdrawal from TPP Doesn't Fit Cleanly Along Party Lines," Business Insider, Uploaded January 23, 2017. [Web](#).

¹⁷ Mark Abadi, "Where Hillary Clinton Stands on Obama's Legacy Trade Deal," Business Insider, Uploaded October 9, 2016, [Web](#).

move, stating that it will cause everlasting consequences to the U.S. economy and strategic positioning in the Asia Pacific region.¹⁸

But why were so many high-level presidential (and opposing) candidates so antagonistic towards an agreement set to produce nearly 40% of the world's GDP? Was the TPP all that it was made out to be? Studies were performed by Petri, Plummer and Zhai that concur with TPP opposers. The economic benefits are less than initially predicted as the original projections measured each country maintaining 0% unemployment, which is impossible.¹⁹ These predictions may have been to dramatically express the benefits of the TPP to attract countries into joining, or to appeal to the public to pass within governments. With adequate adjustments to produce realistic projections on economic benefits, adding realistic employment rates, results concluded to be negligible or generate a negative impact on growth as well as employment decreases within each TPP member state, which is highly alarming.²⁰ An economic analyst, Kimberly Amadeo, concluded the TPP would have contributed to income inequality by aiding high-wage countries and workers earning over U.S. \$88,000. This would have resulted from higher paid owners receiving greater income gains, protected patents and copyrights, and a reduction for cheap generics, thus aiding pharmaceutical companies.²¹ For the U.S., even

¹⁸ Smith, "Reaction to Trump's Withdrawal."

¹⁹ Petri, Plummer, and Zhai, *The Trans-Pacific Partnership*.

²⁰ Jeronim Capaldo, Alex Izurieta, and Jomo Kwame Sundaram. *Trading Down: Unemployment, Inequality and other Risks of the Trans-Pacific Partnership Agreement*. Tufts University, 2016. [Web](#).

²¹ Kimberley Amadeo, "Trans-Pacific Partnership Summary, Pros and Cons: What Does Trump's Executive Order to Withdraw from the TPP Mean?" The Balance, Trade Policy, Updated March 11, 2019, [Web](#).

if the original estimates were correct, the benefits would merely calculate to a fraction of the U.S. economy, implying little significance to the U.S. overall financial well-being.²²

Furthermore, the TPP agreement originally started during the Obama administration as a strategic geopolitical tool to remain a present authority in the Asia Pacific, even if the economic strand didn't favor the U.S. completely. Ashley Tellis states the Obama administration sought to use the TPP agreement as a means of tenaciously boxing China in and forcing it to make tough trade decisions that would impact its rising economy.²³ President Trump, as well as many U.S. representatives opposing the agreement, sought after a way to both limit China's trade opportunities plus keep the U.S. as an authority in the Asia Pacific, thus leading to the U.S.– China trade barrier war as well as frequent diplomatic meetings in the region.

U.S. Withdrawal “Knock-on” Effect

Palpably the withdrawal of the U.S from the TPP agreement sparked huge economic decreases to the upcoming CPTPP agreement. The term “knock-on” effect in U.K. society implies an action that results inescapably but indirectly from another event or condition. Excluding the U.S. from the CPTPP diminished the GDP to roughly 13.5% of the total world GDP, differing from the TPP's figure of 40%, thus having a “knock on” effect on the economic output of the CPTPP.²⁴ The TPP would have generated US\$223 billion a year to the workers of all members, with the U.S. taking \$77 billion of the total.

²²Adam Davidson, “What the Death of the TPP Means for America,” *The New Yorker*, Uploaded January 23, 2017. [Web](#).

²³ Ashley Tellis, “Balancing without Containment: A U.S. Strategy for Confronting China's Rise,” *The Washington Quarterly* 36, no. 4 (October 1, 2013): 115. [Web](#).

²⁴ Goodman, “From TPP to CPTPP.”

Although, as already mentioned, this revenue would have wound up in the pockets of higher paying companies and not all workers.

On the other hand, the CPTPP will remove 98% of trade barriers between members that contributes positively to economic impacts for all countries, as well as contesting the TPP in global income increases.²⁵ Tariffs in the CPTPP will be eradicated progressively over “phase-out” periods, which vary by country and are detailed in each country’s respective tariff elimination schedules. For example, tariff cuts for the initial six countries to ratify the agreement took place on December 2018 whilst the second cuts took place on January 2019, although Japan’s second cut occurred on April 2019 due to fiscal calendar dates. The subsequent ratifying countries will receive tariff elimination once the countries ratify the agreement.²⁶

Withdrawing from what has been called the largest trade agreement in history significantly reduces the hegemonic power of the U.S. in a region over which they have an infamous tendency to control. Had the United States remained within the TPP, their hegemonic power over disputes, trade talks, plus strategic positioning against rivals like China may have continued. The president of the Council on Foreign Relations, Richard Haass, expressed his concern by saying the withdrawal “raises fundamental questions about American reliability.”²⁷ Perhaps this concern transpired due to the U.S. pulling out of the largest agreement in the world and leaving allies and trading partners in a state of

²⁵ Goodman, “From TPP to CPTPP.”

²⁶ Government of Canada, “About Tariff Elimination under the CPTPP,” Trade, CPTPP, Modified February 2, 2019, [Web](#).

²⁷ Ylan Mui, “Withdrawal from Trans-Pacific Partnership shifts U.S. role in world economy,” The Washington Post, Uploaded January 23, 2017, [Web](#).

unease, therefore increasing reliability issues when the U.S. enters future agreements with countries without the ability of removal.

The rise of China as a world power within the last five years is unprecedented. Remarkably, the Chinese leader Xi Jinping cautioned the protective turn could go amiss and wind up harming the world economy. This was stated prior to knowing the TPP gave the U.S. a justification to intervene in disputes surrounding the South China Sea, an area heavily abundant with oil.²⁸ Even though China is not a member of the CPTPP, the absence of the U.S. may enable China to dominate the Asia Pacific region through economic and political policies, such as its policies in the South China Sea. The U.S. will remain a strong force within the region, due to positioned military bases in the Asia Pacific, however their bargaining tools and ability to enter trade talks in the region will possibly decrease and be questioned.

The U.S. conclusive withdrawing from the TPP dramatically decreased the economic benefit of the upcoming agreement as well as reduced its own hegemonic power within the region. On the other hand, the United States' withdrawal has opened up major opportunities for countries within the CPTPP to develop higher relations within the Asia Pacific plus, increased their economic and bargaining standpoints.

Evolution and Achievement of Success

We've seen how the removal of the U.S. from the TPP agreement declined its hegemonic power within the Asia Pacific region, as well as reducing its reliability to make world wide free trade agreements in the future. On the other hand, as I shall discuss in a moment, the removal of the United States is not a major negative consequence for the Asian Pacific region as a whole, nor for agreements like the CPTPP. The removal is

²⁸ Mui, "Withdrawal from Trans-Pacific Partnership," 2017.

therefore a consequence that can be swung into positive action for all countries within the CPTPP through economic, political, environmental and developmental factors.

The Revitalized TPP

No longer than one year after the disintegration of the TPP agreement, Japan took the lead role to continue negotiations thus creating the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).²⁹ Although the benefits of the CPTPP are severely undermined by the estimates produced for the TPP, the exclusion of the U.S. and the continuation of members to proceed signifies the lack of importance of the U.S. in a major world-wide trade agreement. The ratification of the CPTPP, whilst including Brunei respectably sitting at 132nd on the World Bank GDP ranking as well as three other countries at 45th or lower, highlights the lack of powerful countries needed to complete major world agreements.³⁰ The unity demonstrated by the ‘surviving’ members symbolizes how the governance of multiple smaller countries, such as Brunei, New Zealand and Peru, can produce a major free trade agreement that eliminated 98% of tariffs across 11 countries. Japan’s Foreign Minister, Taro Kono, affirmed the CPTPP will “serve as a foundation for building a broader free-trade area” across the whole of Asia and other areas of the world.³¹

The CPTPP agreement encompasses 30 areas of high-level provisions, some containing the digital economy, financial services, investment, intellectual property, e-commerce, government procurement, labor, state-owned enterprises, new environmental

²⁹ Corr et al., “The CPTPP Enters into Force.”

³⁰ The World Bank, “GDP ranking,” World Development Indicators, Accessed April 2, 2019, [Web](#).

³¹ Alexandra Stevenson, and Motoko Rich, “Trans-Pacific Trade Partners Are Moving On, Without the U.S.,” *The New York Times*, [Web](#).

legislations as well as transparency from all countries.³² A handful of the factors within the agreement are tapered to be specific to each country. For example, a smaller or developing country such as Brunei will have a different time frame to complete new legislation in comparison to a country of Canada's caliber. The original TPP agreement contained various aspects the United States negotiators had demanded as safety measures for the benefits of numerous domestic stakeholders, involving such issues as market exclusivity rules for biologic drugs, severe copyright enforcement primacies, as well as investor-state dispute settlements.³³ These were excluded from the CPTPP agreement following the departure of the United States although most other aspects of the TPP remain in the agreement. This shift differentiates the CPTPP from other major world free trade agreements as the provisions are much broader and more profound.³⁴ This complex agreement incorporates the financial, electronic, service, trade, and development sectors of a country, creating a large network that will aid development and establish a level playing field for smaller countries in the agreement.³⁵

Achievement of Success

Within the vast sectors of the CPTPP, this paper depicts four main themes that benefit the signatory countries. These are economic, political, developmental and environmental benefits. These themes have been comprised from the 30 individual sectors within the CPTPP agreement, however some sectors can fall within more than one of the themes stated.

³² Corr et al., "The CPTPP Enters into Force."

³³ Ibid.

³⁴ Ibid.

³⁵ Government of Canada, "Overview and Benefits of the CPTPP."

Matters that fall under the economic factor include sectors such as finance services, labor, investment, textile and apparel goods, electronic commerce and all sectors regarding trade. The economic success of the CPTPP stems from these sectors, raising the GDP production of each country by reducing tariff costs, leading to enlarged revenue in the long run. The reduced tariffs will aid, for example Vietnam as they can enjoy barrier-free textile market access to the European Union as well as countries in the CPTPP. These textile markets accounted for nearly 40 percent of the world's apparel imports in 2016, thus barrier-free access would increase Vietnam's exports.³⁶ Increasing exports to a developing country allows businesses to thrive and can create jobs for the people in due course. It is not just developing countries that can flourish from the economic benefits. Canada can diversify its trading capacity by entering new markets whilst also reducing trade tariff costs between signatory members, leading to further jobs and business opportunities.³⁷ Economic benefits aid all countries within the CPTPP.

Political benefits that coincide with the CPTPP agreement include sectors such as government procurement, transparency and anti-corruption, state-owned enterprises, competition policy, competitive and business facilitation plus, sectors regarding national involvement. Increasing transparency and anti-corruption within governments is vital for any country to develop. Transparency stimulates resourceful decision making and public service delivery, plus it can increase compliance and control costs run by governments and agencies that are able to reciprocate back into the public, thus aiding developing as well as

³⁶ Sheng Lu, "Evaluation of the Potential Impact of CPTPP and EVFTA on Vietnam's Apparel Exports: Are We Over-optimistic about Vietnam's Export Potential?," *International Textile and Apparel Association (ITAA) Annual Conference Proceedings*, 47, (Jan 2018): 2. [Web](#).

³⁷ Harrison (Hung-Hsuan) Lin, "The Potential Impact of the Comprehensive and Progressive Trans-Pacific Partnership Agreement on Canada's Economic Growth," (Master of Public Policy Capstone, University of Calgary, 2018), 2. [Web](#).

boosting efficiency.³⁸ Piotrowski and Borry state transparency deters misappropriations as citizens can see how the money is spent within government and around the country.³⁹

Besides the political aspects derived from the CPTPP agreement, an additional political benefit from the revitalized TPP is the reduced hegemony of the United States in the Asia Pacific region following withdrawal. Reducing the U.S. hegemony in the Asia Pacific significantly diminishes its strategic positioning, allowing other countries such as China to gain dominance. As the United States withdrew with the TPP, the action of withdrawal opened the door for China's trade opportunities in the Asia Pacific region. They gained the ability to join the CPTPP or create a new trade block, for example the Regional Comprehensive Economic Partnership (RCEP), undermining any achievement of the U.S. creating the TPP agreement. In addition, smaller countries such as New Zealand can publicize its agenda with one less looming power by means of diplomacy, instead of aiming to achieve strategic positioning.

Environmentally speaking, the CPTPP can not only benefit the signatory members within in the agreement but set a bench mark for new environmental laws and regulations to be established across the globe. The sanitary measures sector plus the environment sector of the CPTPP primarily encompasses the environmental factor of this paper. Nevertheless, the environmental sectors in the CPTPP produce the most beneficial protocol of laws and regulations for the Asia Pacific and the entire world. South East Asia and Asia Pacific communities are most at risks from climate change due to huge

³⁸ Albert Meijer, Paul 't Hart, and Ben Worthy, "Assessing Government Transparency: An Interpretive Framework," *Administration & Society* 50, no. 4 (April 2018): 512. [Web](#).

³⁹ Suzanne J Piotrowski, and Erin Borry, "An analytic framework for open meetings and transparency," *Public Administration & Management* 15, no. 1 (2010): 148. [Web](#).

populations within coastal cities and low-lying islands.⁴⁰ Effects of increased sea levels, flooding and an influx of adverse weather conditions such as typhoons and tsunamis severely threatened the lives in these communities. It is not only green house gases that is causing climate change in the Asia Pacific. Deforestation, making way for new farmland to produce food, whilst destroying hundreds of acres of woodland and burning the residue could be one the biggest paradoxes to climate change in the region. Serve heat increases and dry spells being a resultant factor from deforestation and climate change could limit the total produce from agricultural businesses, thus creating a paradox.

In short, the effect of extreme weather conditions could produce a global loss of US\$520 billion and push 26 million people into poverty per year... 26 million people per year!⁴¹ Not only are lives at stake, businesses and livelihoods are affected as well. The inclusion of environmental laws and regulations to control emissions, toxic waste produce and protection of habitats is a step in the right direction to combat the intensifying climate change issue. The Asia Pacific being a region with one of the highest emissions in the world can make significant change and the CPTPP incorporates laws and regulations to make that change.

The last main successful factor derived from the CPTPP in this paper is that of developmental success. The sectors within the CPTPP agreement that fall under the development factor are: regulatory coherence, intellectual property, cooperation and capacity building, and development. The Asia Pacific and South East Asia region is the

⁴⁰ The World Bank, "Climate Change Means for... Asia."

⁴¹ The World Bank, "Climate Change Overview."

fastest growing region in the world in terms of GDP growth.⁴² There is a statistical correlation between a developing country and the levels of poverty, gender inequality, education and mortality rates.⁴³ The ability for countries to develop socio-culturally by means of reducing poverty, gender equality, education and mortality rates, as well as economically through innovation, GDP and services is aided with the increased monetary funds. A developing nation can advance healthcare, jobs and the education of the population, thus leading to increased living standards and opportunities for growth in the country.⁴⁴

The role of the four main factors (economic, political, environmental and developmental) identified in this paper from the CPTPP can significantly benefit the signatory members of the CPTPP as well as China. The sectors from the CPTPP agreement included within the four main factors are not strictly found to be beneficial to that singular factor. Likewise, several sectors within each factor can be incorporated within another factor, for example some sectors from the political factor can also be used in developmental factors. The CPTPP agreement can be beneficial to the signatory members as well as China by means of economic, politic, environmental and developmental benefits.

⁴² International Monetary Fund, "Real GDP Growth: Annual Percent Change," IMF Data Mapper, World Economic Outlook 2019, Published April 2019, [Web](#).

⁴³ Hendrik Van den Berg, *Economic Growth and Development* (Singapore: World Scientific Publishing Company, 2016).

⁴⁴ Benjamin Ritter, "Human Capital Development in Developing Countries," *International Center for Global Leadership*, 2018. [Web](#).

Changes to the Asia Pacific

The Future of the Asia Pacific

Effectively applied sectors of the CPTPP agreement can significantly benefit the growth of the Asia Pacific and of the signatory members. It can also cause major changes to the region. Under the four identified themes in this paper, changes can occur that will alter the economic, political, environmental and development aspects of the Asia Pacific.

Economically speaking, the CPTPP agreement members are expected to thrive under significantly reduced tariff conditions to each country. This allows the costs of trade to be significantly reduced, granting a greater flow of imports and exports thus leading to an increase in GDP in each country. In addition, the liberalization of trade barriers boosts productivity and output of trade by increasing competition, helping firms improve efficiency, absorb foreign technology and innovate, plus enhances the variety and quality of available inputs used in final goods production.⁴⁵ Subsequently, an increase in imports and exports of the CPTPP members grants additional funds to be expended back into communities using an increase in GDP, enabling growth and development. Politically changes that will be expected through the CPTPP is tackling corruption within the member countries. Reducing the level of corruption and increasing transparency in governments engages the population within national and community issues, creating a system that clearly shows how the government invests public spending to generate change and aid the lives of population. In addition, the political strategic positioning once created by the United States in the Asia Pacific has weakened and is now held by the power of

⁴⁵ JaeBin Ahn, et al., "Reassessing the Productivity Gains from Trade Liberalization," *Review of International Economics* 27, no. 1 (2019): 131. [Web](#).

China. This is a major victory for China against the United States ultimately making China the main political power in the region for the foreseeable future.

Environmental changes could produce the most significance to the Asia Pacific as well as the world. The role of climate change could lead to catastrophic implications, thus tackling climate change through laws and regulations included in the CPTPP could kick start the use of mitigation and adaptation within the Asia Pacific to reduce greenhouse gases and toxic waste products, plus protect habitats.⁴⁶ Howes and Wyrwoll state “Both the region and the globe cannot afford for Asia as a whole to retain any vestiges of a ‘development first-environment later’ mindset,” signifying the importance of Asia’s need to combat change.⁴⁷ Obviously, the change to the environment cannot occur overnight, however, implementing strategies that strictly tackle this issue can lead to significant changes. Combining the role of economic, political and environmental changes from the CPTPP to the Asia Pacific encompass developmental changes. An increase in GDP and in the public spending of a nation can cause changes such as increase healthcare, education systems, reduce poverty, create jobs and increase living standards. In addition, increased transparency in government aids development by seeing how the government invests into communities. Environmental development can also change the Asia Pacific through environmentally sustainable growth as part of development, for example controlling or lowering global warming conditions creates a more sustainable climate to live in and produce food, thus increasing living standards.⁴⁸

⁴⁶ “Responding to Climate Change,” NASA, Solutions, Mitigation and Adaptation, Accessed April 27, 2019, [Web](#).

⁴⁷ Stephen Howes and Paul Wyrwoll, "Asia’s Wicked Environmental Problems," *Asia Development Bank Institute Working Paper*, no. 348 (March 2012), 39. [Web](#).

⁴⁸ Ibid.

These are the changes expected as a product from the revitalized TPP agreement as well as the reduction of hegemonic power of the United States in the Asia Pacific region. The imminent power of China in the Asia Pacific region is expected to create vast changes to the region without U.S. hegemony determining and restricting its trade opportunities.

The Prominence of China

In light of the introduction of the TPP agreement in the late 2000's, the motivation heightened for China to build a major free trade agreement to compete with the increasing influence of United States in the Asia Pacific. The additional threat of losing the centrality of the Association of Southeast Asian Nations (ASEAN) agreement, China and ASEAN members played a vital and strategic role to kick start the negotiations and create a new major free trade agreement called the Regional Comprehensive Economic Partnership (RCEP) in November 2012.⁴⁹ As anticipated from major free trade agreements, negotiations and talks take a lot of time to ratify the material. In the RCEP's case, its 16 members including all 10 ASEAN members (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam), as well as six further Asia Pacific nations the ASEAN trades with (Australia, China, India, Japan, South Korea and New Zealand), required a great deal of time to come to an agreement. Whilst the RCEP has received less media hype than the CPTPP being a primarily economic agreement, the quality of sectors within the RCEP are lesser than in the CPTPP. However, the changes the ratification of the RCEP will produce for the Asia Pacific is vast. The RCEP is to involve 50 percent of the world's population, 32 percent of world GDP and 28

⁴⁹ Shujiro Urata, "Constructing and Multilateralizing the Regional Comprehensive Economic Partnership: an Asian perspective," *A World Trade Organization for the 21st Century* (2014): 246. [Web](#).

percent of world trade amongst current members.⁵⁰ With China at the helm, and taking the role to kick start the negotiations, these astonishing figures would change the Asia Pacific by creating the largest economic trade block in the world, undermining and outdoing the ability of the United States to enter.

Furthermore, multiple articles argue for China to join the existing CPTPP now the United States is not included, fueling the fire in the China versus United States rivalry by joining the agreement the United States founded. For example, Petri and Plummer state the economic benefit of adding China into the CPTPP would quadruple the global income gains from \$147 billion to \$632 billion annually, coupled with sharpening trade of the existing members by 50 percent.⁵¹ Ultimately this boosts China's and other countries' trade possibilities in the Asia Pacific on the back of the United States' withdrawal from the TPP. Moreover, if China made the decision to enter talks with the CPTPP agreement it would open trade opportunities for China with fewer trade barriers and enhance trading relationships between countries of the Asia Pacific.⁵² China entering the CPTPP may create agreed terms between countries that possibly will lead to faster negotiations surrounding the RCEP as almost all countries are involved.

To be noted, the possibility of China entering the CPTPP without severe alterations to the agreement is slim. The policies included in the CPTPP, for example the political and environmental aspects, go against the perceived agenda of China, therefore, it severely limits the possibility of China entering the CPTPP in the near future. That being said, the

⁵⁰ Takashi Terada, "RCEP Negotiations and the Implications for the United States," The National Bureau of Asian Research, Published December 20, 2018, [Web](#).

⁵¹ Peter A. Petri, and Michael Plummer, *China Should Join the New Trans-Pacific Partnership*, Peterson Institute for International Economics, No. PB19-1 (2019). [Web](#).

⁵² Global Times, "CPTPP could be a strong trading partner for China," *NewsBank, Global Times (Beijing, China)*, Published January 4, 2019, [Web](#).

role of China and the RCEP to create changes to the Asia Pacific is still on course through handsome economic benefits and enhancing trade relations. This is a Chinese battle won against the United States.

Conclusion

The revitalized TPP agreement has constructed multiple successes and changes to the signatory members, China and the Asia Pacific through four main factors developed in this paper: economic, political, environmental and developmental factors. Economic benefits create huge opportunity for countries, and businesses within these countries, to grow and develop through increased GDP and the liberalization of trade barriers, thus increasing revenue to be transferred into public spending. Political components of the CPTPP agreement confine and tackle corruption within countries to increase transparency, permitting the public to see how these additional funds are being invested into communities and the nation. Included within the political successes factor, the reduced United States hegemony in the Asia Pacific plays into China's hands by cementing China as the major power in the region and increases China's trade opportunities. In addition, the withdrawal of the United States gives countries in the CPTPP a larger platform to voice agendas without a dominating power obstructing their needs.

One of the major benefits from the CPTPP is the inclusion of strict environmental laws and regulations. The strict implication of the said laws and regulations by the CPTPP agreement could significantly change the course of climate change in the Asia Pacific, not only improving the lives of people most in danger but aiding the recovery of the planet. Furthermore, the environmental policies within the CPTPP can act as a mandatory benchmark for future trade agreements. The final factor of this paper, developmental aspects of the CPTPP, encompasses all economic, political and environmental factors. The

increased economic productivity generated from the CPTPP produces funds that can lead to changes in healthcare, education, reducing poverty, and creating jobs, all of which result in increasing living standards. Environmental measures can aid the reduction of climate change impacts in an area that is most susceptible to climate change effects and the area which produces a high volume of green-house gases. Benefits also include lower environmental conditions that can create a maintainable climate in which to live and produce food.

The four core factors established in this paper on the CPTPP agreement can aid the signatory members achieve success economically, politically, environmentally and developmentally. Members of the CPTPP can cause significant positive change to the world issue of climate if the environmental laws and regulations included in the agreement are abided by. In addition, China can achieve success through increasing trade opportunities and political power by means of reduced U.S. power in the region. Whether an increase in China's power is a positive success is subject that can be discussed through further research.

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