

Opting Out of Trade Pacts Endangers US Interests in Asia Pacific

WRITTEN BY

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Misguided United States policy will relegate our nation to the sideline when the Regional Comprehensive Economic Partnership (RCEP) — the multilateral trade agreement spearheaded by China that rivals the now largely defunct Trans-Pacific Partnership (TPP) — is signed.

Composed of the [Association of Southeast Asian Nations](#) (ASEAN) member states — Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam — along with China, Japan, South Korea, Australia and New Zealand, RCEP is the largest free-trade agreement in the world, accounting for 32 percent of global GDP and 32.5 percent of global investment.

The U.S. opted out of multilateral trade agreements in 2017. As my colleague Jason Isaacson and I [wrote in The Hill](#) in December 2016 about the American pull-out from the TPP — an agreement negotiated under President Obama and pronounced dead by President Trump — the costs to the U.S. for that ill-advised decision are significant. RCEP marks China's ascent in the region and globally, asserting China's place as the Pacific

superpower, a role that Beijing long has claimed as its rightful place, finally ending its “century of humiliation.” The biggest loser is America, in its national security interests, economic prosperity and global leadership.

China currently faces slow economic growth, intensified by its trade dispute with the United States and the deleterious effects of the [COVID-19 virus](#). Both pose threats to China’s political stability. China desires a “win,” and RCEP provides it in spades. Although RCEP is a trade agreement, it symbolizes far more than economic transactions, undeniably demonstrating China’s assertive rise in economic, political and military dominance in the region.

With RCEP, China integrates its economy more inextricably with the economies of its neighbors, establishing itself as the Pacific hegemon just as the U.S. is trying to pressure its allies and friends to reject Chinese investments, infrastructure loans and 5G technology. Asserting China’s dominance in the region, RCEP underscores the perception of America’s second-tier status in the Pacific.

Confirming that perception, the U.S. administration in November 2019 downgraded its representation at the ASEAN Summit in Thailand. Led by national security adviser Robert O’Brien, it was the lowest level of American representation at the ASEAN meeting since 2011, when U.S. ties to the important regional group were upgraded and Obama headed the delegation. Regardless of American claims that the U.S. commitment is as strong as ever, RCEP is a visible sign of America’s strategic withdrawal from the region.

RCEP is very different from the TPP, lacking both its scope and ambition — and, most significantly, is absent of U.S.-championed protections. RCEP does not [require](#) its member states to liberalize their economies, does not protect labor rights, sets no environmental standards and does not protect intellectual property. The U.S.-led TPP did include those critical elements.

By excluding China from the TPP, the U.S. and others, especially those countries in Asia subject to greatest Chinese leverage, had a way to counter Chinese dominance by cementing favorable rules into the world’s largest trade deal. Had the U.S. ratified the TPP, it would have opened markets with nearly 1 billion consumers, accounting for nearly two-thirds of global GDP and 65 percent of global trade. Americans, as well as our friends and allies in the Pacific rim, would have been the winners in that deal.

But the U.S. did not ratify it. Subsequent to the American withdrawal, the remaining 11 countries continued, endorsing the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Without U.S. participation, it accounts for a much smaller share of global GDP and is too weak to effectively challenge China. It remains open to an American return, a remote possibility that is nonetheless the hope of many participating governments.

The imminent signing of RCEP provides another warning of the consequences of an isolationist worldview and resulting foreign policy decisions. It signals yet another step on the path of America’s decline as it cedes leadership to China in a critical geopolitical region of the world. Trade is a key component of U.S. foreign policy. The U.S. presence in the Asia Pacific region has been central to the area’s security and stability for decades, facilitating Asia’s economic rise and contributing to global peace, benefiting Americans by simultaneously making us safer and more prosperous.

Unfortunately, the rhetoric of the presidential primary season does not offer much hope for re-examining U.S. [strategy for the Indo-Pacific region](#). America’s position is critical to long-term U.S. economic strength, national security and geopolitical influence, yet few of the presidential candidates have addressed this issue publicly.

President Trump has made his position on trade clear. Ironically, though considered at the opposite end of the political spectrum, Sen. Bernie Sanders (I-Vt.) stands side-by-side with the president in his opposition to free trade agreements, calling them “harmful to the American working class.” Former vice president Joe Biden has signaled a willingness to take another look at the TPP, commenting that “either China’s going to write the rules of the road for the 21st century on trade, or we are.” If 2016 is any guide, one can speculate that both the progressive Democrats and the Republicans who back Trump are united in their myopic view of trade, seemingly blind to its links to our long-term national security and economic prosperity. This is a mistaken view that should be vigorously challenged.

My organization, [American Jewish Committee](#) (AJC), does not endorse any political party or candidate, but it does advocate for policy positions. AJC calls for a centrist approach to most matters, including free trade. American interests are best served with a multilateral approach to regulations, free trade, the bolstering of alliances, and a robust leadership role for the U.S. on the global stage.

Now is the time to rejoin the TPP. It serves our country’s strategic aims, strengthens the democratic values we espouse, and safeguards our influence, our standards, and our market access in the most dynamic region of the world.

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