NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

COMPARING DIVERSE SOUTHEAST ASIAN REACTIONS TO THE TRANS-PACIFIC PARTNERSHIP (TPP)

by

Mei Ping Michelle Ong

September 2017

Thesis Advisor: Michael Malley
Second Reader: Naazneen Barma

Approved for public release. Distribution is unlimited.

THIS PAGE INTENTIONALLY LEFT BLANK

REPORT DOCUMENTATION PAGE			*Form Approved OMB No. 0704-0188*
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington DC 20503.			
1. AGENCY USE ONLY ***(Leave blank)***	**2. REPORT DATE** September 2017	**3. REPORT TYPE AND DATES COVERED**	
4. TITLE AND SUBTITLE COMPARING DIVERSE SOUTHEAST ASIAN REACTIONS TO THE TRANS-PACIFIC PARTNERSHIP (TPP)			**5. FUNDING NUMBERS**
6. AUTHOR(S) Mei Ping Michelle Ong			
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey, CA 93943-5000			**8. PERFORMING ORGANIZATION REPORT NUMBER**
9. SPONSORING /MONITORING AGENCY NAME(S) AND ADDRESS(ES) N/A			**10. SPONSORING / MONITORING AGENCY REPORT NUMBER**
11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government. IRB number ____N/A____.			
12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release. Distribution is unlimited.			**12b. DISTRIBUTION CODE**

13. ABSTRACT (maximum 200 words)

This thesis attempts to explain why some Southeast Asian countries, namely Singapore, Vietnam and Malaysia, joined the Trans-Pacific Partnership (TPP), while others such as Indonesia, the Philippines and Thailand, did not. Two hypotheses emerged: Different levels of support for protectionism in Southeast Asian countries influence their decision to participate, or not participate, in the TPP; and different levels of support for a stronger U.S. role in the Asia-Pacific affect Southeast Asian countries' decision in taking part in the TPP. The evidence from six country cases show that on balance, the first hypothesis has slightly greater explanatory power than the second hypothesis. While evidence from Singapore, Vietnam, Indonesia and Thailand strongly support both hypotheses, evidence from the Philippines only partially supports them. For Malaysia, the evidence weakly supports the second hypothesis and does not support the first one.

14. SUBJECT TERMS Trans-Pacific Partnership, Southeast Asia, protectionism, free trade agreement, regional trade agreement, ASEAN.			**15. NUMBER OF PAGES** 139
			16. PRICE CODE
17. SECURITY CLASSIFICATION OF REPORT Unclassified	**18. SECURITY CLASSIFICATION OF THIS PAGE** Unclassified	**19. SECURITY CLASSIFICATION OF ABSTRACT** Unclassified	**20. LIMITATION OF ABSTRACT** UU

NSN 7540-01-280-5500 Standard Form 298 (Rev. 2-89)
Prescribed by ANSI Std. 239-18

THIS PAGE INTENTIONALLY LEFT BLANK

Approved for public release. Distribution is unlimited.

COMPARING DIVERSE SOUTHEAST ASIAN REACTIONS TO THE TRANS-PACIFIC PARTNERSHIP (TPP)

Mei Ping Michelle Ong
Singapore Ministry of Defence
B.A., Nanyang Technological University, 2008

Submitted in partial fulfillment of the
requirements for the degree of

**MASTER OF ARTS IN SECURITY STUDIES
(FAR EAST, SOUTHEAST ASIA, THE PACIFIC)**

from the

**NAVAL POSTGRADUATE SCHOOL
September 2017**

Approved by: Michael Malley
Thesis Advisor

Naazneen Barma
Second Reader

Mohammed Hafez
Chair, Department of National Security Affairs

THIS PAGE INTENTIONALLY LEFT BLANK

ABSTRACT

This thesis attempts to explain why some Southeast Asian countries, namely Singapore, Vietnam and Malaysia, joined the Trans-Pacific Partnership (TPP), while others such as Indonesia, the Philippines and Thailand, did not. Two hypotheses emerged: Different levels of support for protectionism in Southeast Asian countries influence their decision to participate, or not participate, in the TPP; and different levels of support for a stronger U.S. role in the Asia-Pacific affect Southeast Asian countries' decision in taking part in the TPP. The evidence from six country cases show that on balance, the first hypothesis has slightly greater explanatory power than the second hypothesis. While evidence from Singapore, Vietnam, Indonesia and Thailand strongly support both hypotheses, evidence from the Philippines only partially supports them. For Malaysia, the evidence weakly supports the second hypothesis and does not support the first one.

THIS PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

THIS PAGE INTENTIONALLY LEFT BLANK

LIST OF TABLES

THIS PAGE INTENTIONALLY LEFT BLANK

LIST OF ACRONYMS AND ABBREVIATIONS

ACFTA	ASEAN-China FTA
AEC	ASEAN Economic Community
AFTA	ASEAN Free Trade Agreement
AIIB	Asian Infrastructure Investment Bank
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
DE	data exclusivity
EAS	East Asian Summit
EDCA	Enhanced Defense Cooperation Agreement
EEZ	Exclusive Economic Zones
EFTA	European Free Trade Association
ETP	Economic Transformation Programme
EU	European Union
FDI	foreign direct investment
FONOP	freedom of navigation operation
FTA	free trade agreement
GDP	gross domestic product
IE-CEPA	Indonesia-EFTA Comprehensive Economic Partnership Agreement
ISDS	investor-state dispute settlement
MITI	Ministry of International Trade and Industry
MOIT	Ministry of Industry and Trade
NEM	New Economic Model
NEP	New Economic Policy
NFC	National Farmers Council
NGO	non-governmental organizations
PH-EFTA	Philippines-European Free Trade Association
PIT	Panyaapiwat Institute of Technology
PJEPA	Philippines-Japan Economic Partnership Agreement
RCEP	Regional Comprehensive Economic Partnership

RTA	regional trade agreement
SBY	Susilo Bambang Yudhoyono
SME	small and medium enterprises
SOE	state-owned enterprises
TDRI	Thailand Development Research Institute
TIFA	Trade and Investment Framework Agreement
TPP	Trans-Pacific Partnership
TPSEP	Trans-Pacific Strategic Economic Partnership
UMNO	United Malay National Organization
UNCLOS	UN Convention on the Law of the Sea
VCP	Vietnamese Communist Party
WTO	World Trade Organization

ACKNOWLEDGMENTS

First and foremost, I would like to kindly thank my advisor, Dr. Michael Malley, for his close guidance throughout the thesis process, and his keen and critical purview of my thesis, which allowed me to continuously improve my analysis. Next, I would like to express my heartfelt thanks to my second reader, Dr. Naazneen Barma, for her constant encouragement and helpful advice along the way, which I greatly appreciate.

Last but certainly not least, I would like to express my utmost gratitude to my husband, Simon, for being my greatest pillar of support during the entire thesis process, and for taking such good care of our daughter, Samantha, while I worked on my thesis. This thesis goes out to my dear family, Simon and Samantha.

THIS PAGE INTENTIONALLY LEFT BLANK

I. CHAPTER I

A. MAJOR RESEARCH QUESTION AND FINDING

The Trans-Pacific Partnership (TPP) is a mega-regional free trade agreement (FTA) that comprises four Southeast Asian countries (Brunei, Singapore, Malaysia, and Vietnam) and seven other Asia-Pacific countries (Australia, Canada, Chile, Japan, Mexico, New Zealand, and Peru). In the absence of an institutional mechanism to negotiate FTAs among the Asia Pacific Economic Cooperation (APEC) countries, two Southeast Asian countries—Singapore and Brunei—and New Zealand and Chile in 2006 initiated the Trans-Pacific Strategic Economic Partnership (TPSEP), which evolved into what became known as the TPP after the United States and other Asia-Pacific countries joined this "high quality" agreement.[1]

U.S. involvement in negotiations and the conclusion of the agreement was a major initiative of the Obama Administration, but, in a highly publicized move, the Trump Administration withdrew from the deal in January 2017. By contrast, not much literature on Southeast Asian views towards the TPP exists, even though four TPP members are from Southeast Asia and two of them are founders of the partnership. There is also a lack of literature examining why the rest of Southeast Asia chose not to join the TPP. In an effort to address this gap in the research, this thesis seeks to explain the variation among Southeast Asian countries' reactions to the TPP, and analyze the factors underlying these countries' advocacy for or rejection of the TPP.

The research question underpinning this thesis is: Why did some Southeast Asian countries join the TPP, while others did not? Two hypotheses emerged: Different levels of support for protectionism in Southeast Asian countries influence their decision to participate, or not participate, in the TPP; Different levels of support for a stronger U.S. role in the Asia-Pacific affect Southeast Asian countries' decision in taking part in the TPP. The evidence from the six country cases show that on balance, the first hypothesis

[1] Vinod K. Aggarwal, "Introduction: The Rise of Mega-FTAs in the Asia-Pacific," *Asian Survey* 56, no. 6 (November/December 2016): 1008.

Jeffrey D. Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?" *Journal of Contemporary Asia* 45, no. 2 (2015): 348.

has slightly greater explanatory power than the second hypothesis. While evidence from Singapore, Vietnam, Indonesia and Thailand strongly support both hypotheses, evidence from the Philippines case only partially supports them. For Malaysia, the evidence weakly supports the second hypothesis and does not support the first one.

B. SIGNIFICANCE OF THE RESEARCH QUESTION

The principal finding of this research provides an explanation for the variation in Southeast Asian countries' positions on the TPP. The current literature generally covers the potential impact of the TPP on participants and non-members, and does so mainly in the broader context of the U.S.-China strategic competition in the Asia-Pacific region. Yet, scholars have focused less on the motivations behind members' decisions to join the TPP. Furthermore, while literature on Asian views towards the TPP exists, not much of it focuses on the Southeast Asian perspective. This thesis then serves to supplement the limited literature by examining Southeast Asia's reactions towards the TPP.

By clarifying the range of economic interests that shaped policy on TPP in each Southeast Asian country, this thesis can help us understand the kinds of international economic arrangements these countries favor, and how strongly they support those arrangements. Given the recent U.S. withdrawal from the TPP, it is critical to examine the driving forces behind the different reactions towards the TPP in order to help us understand the steps that Southeast Asian countries are now likely to take. This thesis also attempts to shed light on how these countries are likely to respond to other proposals for economic liberalization.

C. LITERATURE REVIEW

This literature review provides a quick overview of the TPP and the challenges in negotiations leading to its establishment, a summary of the reasons why some countries joined the TPP while others did not, and then the review specifically examines the reasons why not all countries in Southeast Asia participated in the TPP, which leads to my two hypotheses.

1. Background on the TPP

With a stalemate in the World Trade Organization (WTO) Doha round negotiations and with the lack of an institutional mechanism to negotiate FTAs among the APEC countries, the P4 countries—Singapore, Brunei, New Zealand and Chile—set up a "high quality" TPSEP in 2006. The TPP was formally established after the United States, under the Bush administration, signaled interest in joining the TPSEP in September 2008, and after the Obama administration announced its participation in the TPP.[2] The TPP is generally seen as a high-standard WTO Plus-type of FTA that covers a comprehensive and extensive range of issues, such as trade liberalization in goods, trade liberalization in services, government procurement, environmental standards/protection, financial services, intellectual property rights, investment protections, labor, technical barriers to trade.[3] The United States has encouraged APEC countries to join TPP negotiations and is open to accession by non-APEC members.[4]

The TPP was established to achieve three objectives. First, the TPP aims to attain the status of a gold-standard 21st century agreement that promotes and liberalizes trade and investment according to WTO rules.[5] It will also include: disciplines for 21st century trade issues, especially in investment, intellectual property, government procurement, and trade facilitation; set WTO-Plus standards; and promote an open and rules-based economic system.[6] Second, the TPP aims to multilateralize regionalism and overcome the

---

[2] Shintaro Hamanaka, "TPP versus RCEP: Control of Membership and Agenda Setting," *Journal of East Asian Economic Integration* 18, no. 2 (June 2014**):** 169–170.

[3] Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?" 348;

Sanchita Basu Das, "RCEP and TPP: Comparisons and Concerns," *Institute of Southeast Asian Studies* (2013): 364.

[4] Das, "RCEP and TPP: Comparisons and Concerns," 364.

[5] Peter Chalk, "The Eagle Has Landed: The US Rebalance to Southeast Asia," *Australian Strategy Policy Institute* (June 2016): 11;

Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?," 348;

Das, "RCEP and TPP: Comparisons and Concerns," 364.

[6] Ann Capling and John Ravenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?" *Pacific Review* 24, no. 5 (December 2011): 560;

Chalk, "The Eagle hHs Landed: The US Rebalance to Southeast Asia," 11.

'noodle bowl' problem, which is the state of numerous overlapping bilateral FTAs in the region, so as to work toward deeper and broader integration in a way that is in line with APEC and WTO objectives.[7] Third, there was a political objective to keep the United States engaged in Asia, given that the TPP was the Obama administration's key tool of the U.S. engagement in the region and was part of the U.S. broad strategy to contain China's influence.[8]

The ambitious TPP comes with its own set of challenges. Especially in the agricultural sector and in the area of intellectual property, domestic protectionist forces in some TPP member countries have stalled negotiations.[9] Another challenge is that the exclusion of China, the world's second-largest economy, from the TPP hinders the FTA from truly multilateralizing regionalism, as many countries that are part of the TPP have bilateral FTAs with China, such as the Southeast Asian TPP members, as part of Association of Southeast Asian Nations (ASEAN) with China.[10]

2. Reasons Why Some Countries Joined the TPP

In the existing literature on the TPP, some general motivations behind countries' decisions to join this mega-FTA are identified. First, Ann Capling and John Ravenhill assert that some TPP members such as Malaysia, New Zealand, and Vietnam joined the TPP as they are likely to reap economic benefits in terms of improved access to the U.S. market.[11] Other TPP member countries such as Australia and Singapore do not stand to gain as much in terms of better access to the U.S. market because they have existing bilateral FTAs with the United States. Second, Jeffrey D. Wilson observes that these

[7] Capling and Ravenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?," 562.

[8] Capling and Ravenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?," 559.

[9] Capling and Ravenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?," 569;

Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?" 349.

[10] Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?" 349.

[11] Capling and Ravenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?," 570.

richer countries, together with Japan, joined the TPP as they have more capacity and more potential to benefit from the WTO Plus type of liberalization relative to the developing countries in Southeast Asia.[12] This can be attributed to their relatively more liberalized economies, and lower costs incurred for these nations to abide by the high-standard provisions negotiated in the TPP. Singapore in particular has been a strong TPP supporter because of its economic commitment to eliminating tariffs and liberalizing trade in goods and services.[13]

Third, analysts observe that some countries with lower levels of domestic protectionist pressure joined the TPP.[14] They observe that these countries are generally developed rather than developing ones. Capling and Ravenhill point out that protectionist forces in Australia, Chile, New Zealand, and Singapore do not have much political clout or influence over trade policies.[15] Ravenhill explains that Japan joined the TPP because the Japanese government is generally in favor of high-quality comprehensive FTAs, save for stalled negotiations in provisions on the agricultural sector due to the domestic political strength and influence of the Ministry of Agriculture, Forestry and Fisheries.[16] Capling and Ravenhill note that although the United States succeeded in joining the TPP negotiations in 2008, the government faced domestic protectionist pressure from trade unionists and civil society groups on issues such as labor rights and environmental

---

[12] Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?" 351.

[13] Robert G. Sutter, Michael E. Brown, and Timothy J.A. Adamson with Mike M. Mochizuki and Deepa Ollapally, "Balancing Acts: The U.S. Rebalance and Asia-Pacific Stability," *Elliot School of International Affairs, The George Washington University* (August 2013), 24;

John Ravenhill, "The Political Economy of an "Asian" Mega-FTA," *Asian Survey* 56, no. 6 (November/December 2016): 1086;

Barry Desker, "The Eagle and the Panda: An Owl's View from Southeast Asia," *Asia Policy* 15 (January 2013),:27.

[14] Capling and Ravenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?," 569;

Ravenhill, "The Political Economy of an "Asian" Mega-FTA," 1084.

[15] Capling and Ravenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?," 569.

[16] Ravenhill, "The Political Economy of an "Asian" Mega-FTA," 1084.

protection.[17] It was perceived higher levels of domestic protectionist pressure placed on the Trump administration to protect American workers and jobs led to the United States withdrawing from the TPP.

Fourth, some countries joined the TPP because they have a greater geopolitical alliance with the United States to soft-balance China. Wilson highlights that the Obama administration explicitly linked the TPP as a key economic element of the U.S. pivot aimed at bolstering its geopolitical leadership in Asia; therefore, countries were in part indicating their geopolitical allegiance to the United States by choosing to join the TPP.[18] Seeungjoo Lee concurs with Wilson that East Asian countries soft-balance by actively attempting to join regional institutions to engage in inter-institutional balancing, which he defines as "a state's behavior to seek to create separate or overlapping institutions to balance against a target state."[19] Lee raises Japan as an example of a country that engaged in inter-institutional balancing when Japan decided to join the TPP, as this action was perceived as an attempt to contain China by enhancing bilateral relations with the United States and other East Asian countries.[20]

3. Reasons why some countries did not join the TPP

Broad driving forces behind countries' decisions not to participate in the TPP are extracted from the current literature. First, Capling and Ravenhill observe that countries have not joined the TPP because protectionist forces have more capacity and influence to forestall a trade agreement altogether or are able to persuade the government to exclude their industries from provisions in FTAs.[21] Ravenhill also observes that developing countries in Southeast Asia tend to prefer a more flexible and non-intrusive agreement,

---

[17] Capling and Ravenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?," 570.

[18] Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?," 352.

[19] Seungjoo Lee, "Institutional Balancing and the Politics of Mega-FTAs in East Asia," *Asian Survey* 56, no. 6 (November/December 2016): 1062–1063.

[20] Lee, "Institutional Balancing and the Politics of Mega-FTAs in East Asia," 1063.

[21] Capling and Ravenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?," 569.

such as the Regional Comprehensive Economic Partnership[22] (RCEP), because of the ongoing political strength of domestic protectionist interests in these countries.[23]

Second, analysts observe that some countries, especially developing countries, have not joined the TPP as they are not ready for the high standards of provisions required in the TPP.[24] Ravenhill explains that these governments, at their current stages of economic development, feel that complete tariff liberalization or implementation of terms that go beyond the WTO commitments in the TPP, such as in the area of intellectual property, are not in the interests of their economies.[25] Wilson adds that developing countries are unwilling to join the TPP due to the high economic reform costs they are expected to incur to achieve WTO Plus type of liberalization, and are more amenable to FTAs, such as the RCEP, which do not require policy concessions on several sensitive issues such as investment, intellectual property, and agriculture.[26]

4. Reasons Southeast Asian Countries' Positions on the TPP Vary

From the limited literature on Southeast Asian countries' views toward the TPP, I have identified two main reasons for the variation in Southeast Asian countries' reactions to the TPP. They are different levels of protectionism in Southeast Asian countries, and different Southeast Asian countries' views of the role of the United States in the Asia-Pacific region.

5. Different levels of protectionism

Capling and Ravenhill observe that developed countries in Southeast Asia with

---

[22] The RCEP is another mega-regional FTA that comprises the ASEAN+6 countries and is led by ASEAN. It is viewed as an FTA with lower standards and greater flexibility that caters to member countries' differing levels of development.

[23] Ravenhill, "The Political Economy of an "Asian" Mega-FTA," 1099.

[24] Ravenhill, "The Political Economy of an "Asian" Mega-FTA," 1099;

Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?," 351.

[25] Ravenhill, "The Political Economy of an "Asian" Mega-FTA," 1099.

[26] Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?," 351.

lower levels of protectionist pressure joined the TPP.[27] They cite Singapore as an example of a country whose protectionist interest groups do not wield much influence over government trade policies.[28] Related to lower levels of protectionist pressure are countries' relatively lower levels of economic development, which would imply that they might be not as ready to participate in comprehensive high-standard FTAs. [29] Wilson states that wealthier nations such as Singapore joined the TPP as it could afford to meet the gold-standard provisions of the TPP, given that it is one of the most liberalized countries in the world.[30]

Ravenhill contrasts this with developing countries in Southeast Asia that did not join the TPP because of the ongoing political strength of domestic protectionist forces able to successfully lobby to exclude sensitive sectors from such agreements.[31] Steve Herman cites Thailand's farming industry as an example of farmers' reluctance to expose their domestic farming industry to foreign competition, thus hindering the government from signing on to the TPP.[32] He states that Prime Minister Prayuth had in June 2016 not given any firm timeline for signing on to the TPP, and that farmers had threatened to hold protests if Thailand went ahead with TPP negotiations. [33]

Wilson and Ravenhill also observe that developing countries in Southeast Asia did not join the TPP as their relatively higher levels of protectionism mean that they are not prepared to abide by the high standards of provisions in the TPP and negotiate in

---

[27] Capling and Ravenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?," 569.

[28] Ibid.

[29] Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?," 351;

Ravenhill "The Political Economy of an "Asian" Mega-FTA," 1086;

Peter A. Petri and Michael G. Plummer, "ASEAN Centrality and the ASEAN-US Economic Relationship," *Policy Studies* 69, (2013): 8.

[30] Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?," 351.

[31] Ravenhill, "The Political Economy of an "Asian" Mega-FTA," 1099.

[32] Steve Herman, "Thailand Tipping Toward TPP," Voice of America, June 1, 2016, http://www.voanews.com/a/thailand-tipping-towards-tpp/3356750.html.

[33] Ibid.

sensitive sectors.[34] Peter A. Petri and Michael G. Plummer highlight that the TPP "will be too intrusive for (Southeast Asian) countries in the early stages of development." Ravenhill concurs that these countries will not economically benefit at their current stages of development, and Wilson adds that this is due to the high economic reform costs that they are expected to take on to attain such high trade standards in the TPP.[35] Analysts note that Vietnam is an exception to the aforementioned general observation.[36] Although Vietnam is a country with relatively lower levels of economic development, Jeffrey J. Schott, Barbara Kotschwar, and Julia Muir explain that the TPP provides Vietnam with the incentive to embark on significant domestic economic reforms that should bring opportunities for trade and investment in its growing economy.[37] Tri Thanh Vo concurs that international economic integration is important toward the successful implementation of domestic economic reforms in Vietnam.[38]

a. Different views of the U.S. role in the Asia-Pacific region

Analysts point out that another motivation for Southeast Asian countries to join the TPP is linked to their differing views of the role of the United States in the region.[39] Wilson highlights that the Obama administration viewed the TPP both as a key economic

---

[34] Herman, "Thailand Tipping Toward TPP".

Ravenhill "The Political Economy of an "Asian" Mega-FTA," 1086; Petri and Plummer, "ASEAN Centrality and the ASEAN-US Economic Relationship," 8.

[35] Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?," 351;

Ravenhill "The Political Economy of an "Asian" Mega-FTA," 1086.

[36] Jeffrey J. Schott, Barbara Kotschwar, and Julia Muir, *Understanding the Trans-Pacific Partnership*, (Washington, DC: Peterson Institute for International Economics, 2013), 6;

Tri Thanh Vo, "Vietnam's Perspectives on Regional Economic Integration," *Journal of Southeast Asian Economies* 32, no. 1 (2015): 107.

[37] Schott et al, *Understanding the Trans-Pacific Partnership*, 6.

[38] Vo, "Vietnam's Perspectives on Regional Economic Integration," 107.

[39] Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?," 352;

Lee, "Institutional Balancing and the Politics of Mega-FTAs in East Asia," 1062–1063;

Sutter et al., "Balancing Acts: The US Rebalance and Asia-Pacific Stability," 23;

Desker, "The Eagle and the Panda: An Owl's View from Southeast Asia," 26–27.

element of the U.S. rebalance to the Asia-Pacific, as well as to re-assert its geopolitical leadership in the region.[40] Therefore he asserts that countries who joined the TPP signal their geopolitical allegiance to the United States.[41] Lee's description of countries engaged in inter-institutional balancing can be observed in Singapore's view of the U.S. role in Asia.[42] Singapore's advocacy for the TPP, and for the U.S. to be the leading participant in this FTA, arises from Singapore's desire to link the United States more tightly to the region, through its economic might, as well as its military presence.[43]

D. POTENTIAL EXPLANATIONS AND HYPOTHESES

The brief literature review points to two potential hypotheses for why some Southeast Asian countries chose to join the TPP while others did not, given similar regional context. The first hypothesis is that different levels of support for protectionism in Southeast Asian countries play a significant role in their decision to join, or not join, the TPP. In this hypothesis, countries with lower levels of support for protectionism are more likely to join the TPP, while others with higher levels of support for protectionism tend not to join the TPP. Two indicators that I will look at are: political strength of domestic protectionist interest groups; and the degree of political will of government to lower protectionism.

Countries with higher levels of protectionist pressure, such as Thailand, Indonesia, and the Philippines, did not join the TPP as their domestic sector preferences and their corresponding political influence could have played a role in their resistance to the TPP, or in their overall trade policies.[44] The TPP is deemed unsuitable for Southeast Asian countries at lower levels of development as it will come at too high a cost for them to embark on fundamental economic reforms in order to meet the TPP's high standards.

---

[40] Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?," 352.

[41] Ibid.

[42] Lee, "Institutional Balancing and the Politics of Mega-FTAs in East Asia," 1062–1063.

[43] Desker, "The Eagle and the Panda: An Owl's View from Southeast Asia," 26–27.

[44] Ronald Rogowski, "Commerce and Coalitions: How Trade Affects Domestic Political Alignments," in *International Political Economy: Perspectives on Global Power and Wealth* (Princeton, NJ: Princeton University Press, 2000), 318.

This is in contrast to Singapore, a TPP member with low levels of domestic protectionist pressure. Given that Singapore is at an advanced level of economic development, it stands to gain more from the TPP than other Southeast Asian countries might, as it is ready and prepared to meet the high standards of the TPP.

The second hypothesis is that differing views of the U.S. role in the Asia-Pacific region contribute to why some Southeast Asian countries join the TPP, while others did not. For this hypothesis, countries that desire the United States to play a bigger role in the Asia-Pacific are more likely to participate in the TPP, while others that do not share the same view are less likely to join the trade pact. Two indicators that I will look at are: the view of the U.S. security role in the region; and the view of the U.S. economic role in the region.

Given that the TPP was seen as the main instrument of the Obama administration's pivot to the Asia-Pacific, some Southeast Asian countries could have joined the TPP as a way to demonstrate their desire for the United States to be more involved in the region, both economically and possibly in the maritime domain. Vietnam's participation in the TPP might partially be attributed to wanting the United States to soft-balance China's assertiveness in the South China Sea.

E. RESEARCH DESIGN

This thesis takes a political economy approach to analyze the driving forces behind Southeast Asian countries' varied reactions to the TPP. Using a comparative case study approach, it will examine why some countries in Southeast Asia (specifically Singapore, Vietnam, and Malaysia) participated in the TPP, while others (specifically Indonesia, Thailand, and the Philippines) did not. For research sources, the thesis relies on major studies on the TPP and more generally on mega-regional FTAs, as well as on official government statements from the selected Southeast Asian countries. The goal of the research is to determine a relative weighting of the different motivations suggested previously in influencing countries' positions on the TPP.

F. THESIS OVERVIEW

The first chapter introduces the research question at hand and its significance to scholarship, and provides a snapshot of the current literature related to Southeast Asia's reactions to the TPP. The second chapter examines the reasons behind some Southeast Asian countries' participation in the TPP, and is followed by the third chapter, which covers the reasons why other Southeast Asian countries did not join the TPP. The last chapter concludes this thesis and explores the likelihood of changes to Southeast Asian countries' positions on the TPP since the United States withdrew from the TPP.

II. SOUTHEAST ASIAN COUNTRIES THAT JOINED THE TPP

A. INTRODUCTION

This chapter explores why some, but not all, Southeast Asian countries joined the TPP. It examines the reasons behind Singapore, Vietnam, and Malaysia's motivations behind participating in the TPP. Singapore is considered one of the founders of the current TPP, having set up the TPSEP with Brunei, Chile, and New Zealand in 2006, before the TPP was officially established after the United States formally joined the trade pact negotiations in November 2009.[45] Vietnam expressed interest in joining the TPP soon after the United States announced its intention to join the TPSEP in September 2008, joined as an associate member in March 2010, and officially became a full TPP negotiating member in November 2010. As for Malaysia, it joined the TPP as a full negotiating partner in October 2010 after its bilateral FTA deal with the United States fell through in 2009. These countries joined the TPP despite their varying levels of economic dependence on trade, as shown in Table 1.

Table 1. Trade-to-GDP ratios of Southeast Asian countries that joined the TPP. Adapted from The World Bank at http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS.

Southeast Asian country that joined the TPP	Trade to Gross Domestic Product (GDP) ratio (2016)
Singapore	318%
Vietnam	185%
Malaysia	128%

There are two broad factors that might contribute to a Southeast Asian country's decision to join the TPP. First, countries with lower support for protectionism are more likely to join the TPP. The first indicator of such countries is that domestic protectionist

[45] "FACT SHEET: The United States in the Trans-Pacific Partnership," The White House, November 12, 2011, https://obamawhitehouse.archives.gov/the-press-office/2011/11/12/fact-sheet-united-states-trans-pacific-partnership.

interest groups generally tend to have less political strength in influencing or lobbying their governments against joining the TPP. The other indicator is that the government or the leader of the country likely possesses greater political will in using TPP participation to implement or accelerate domestic economic reforms to reduce protectionism in those countries.

Second, countries that desire the United States to play a bigger role in the Asia-Pacific are more likely to take part in the TPP negotiations. The first indicator of such countries is that they want the United States, amid China's increasing assertiveness in the South China Sea, to act as a security guarantor of peace and stability and be more closely connected to the region through its leadership and participation in the TPP. The second indicator is that they want the United States to counter China's rising economic influence through leading this mega-regional trade agreement and writing the 21st century high-standard trade rules.

For each country analysis, the thesis examines each nation's general stance toward trade and FTAs, their position on the TPP, and the reasons behind their decision to join the TPP based on the two hypotheses: Countries with lower levels of support for protectionism are more likely to join the TPP; and countries that desire the United States to play a larger role in the Asia-Pacific are more likely to join the TPP. This chapter shows that the second hypothesis is more strongly supported by the evidence from all three countries, while only the evidence from Singapore and Vietnam support the first hypothesis.

B. SINGAPORE

This section on Singapore covers that country's general stance toward trade and FTAs and its favorable view of the TPP, and shows that the evidence from the Singapore case supports both hypotheses for why it joined the TPP.

1. Singapore's Stance on Trade and FTAs

As a small and very open trading nation with one of the lowest simple average trade tariffs of 0.2%, Singapore has been known to widely embrace the rules of free trade

and promote trade liberalization.[46] It is also an active WTO member, a strong supporter of the multilateral trading system, and firmly believes that open markets are crucial in facilitating global trade.[47] As a significantly high proportion of Singapore's trade (80% of Singapore's imports and 74% of its exports) are based on trade with preferential trading partners, and with an extremely high trade to GDP ratio of 318%, it is little wonder that Singapore emphasizes achieving its trade policy objectives of greater market access and eliminating both tariffs and non-tariff barriers that are not in line with WTO standards.[48] In addition to the WTO, Singapore also aggressively pursues numerous bilateral and regional trade agreements to help its domestic companies continuously gain access to many overseas markets.[49]

As one of the strongest advocates of free trade, Singapore currently has 20 implemented FTAs with 31 trading partners. It has bilateral FTAs with the United States, China, Australia, New Zealand, Japan, Korea, India, Panama, Peru, Costa Rica, and Jordan.[50] Singapore is also part of Regional Trade Agreements (RTA) with the European Free Trade Association (EFTA), Gulf of Cooperation Council, and in the TPSEP.[51] As part of ASEAN, it is a member of the ASEAN FTA (AFTA), and has RTAs with China, Japan, Korea, India, and Australia and New Zealand.[52] Singapore has completed

---

46 "Singapore Trade at a Glance: Most Recent Values," World Integrated Trade Solution, last accessed July 1, 2017, http://wits.worldbank.org/countrysnapshot/en/SGP.

47 "Trade Policy Review: Report by Singapore," World Trade Organization, June 7, 2016, https://www.wto.org/english/tratop_e/tpr_e/g343_e.pdf.

48 "Trade (% of GDP)," The World Bank, last accessed July 1, 2017, http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS;

"Trade Policy Review: Report by the Secretariat, Singapore," World Trade Organization, November 9, 2016, https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=232542,229167,94584,59727,84635,92049,45060,24137,45367&CurrentCatalogueIdIndex=0&FullTextHash=&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True.

49 "Trade Policy Review: Report by Singapore," World Trade Organization, June 7, 2016, https://www.wto.org/english/tratop_e/tpr_e/g343_e.pdf.

50 "Singapore Free Trade Agreements," International Enterprise Singapore, April 22, 2017, https://www.iesingapore.gov.sg/Trade-From-Singapore/International-Agreements/free-trade-agreements/Singapore-FTA.

51 Ibid.

52 Ibid.

negotiations for FTAs such as the TPP, European Union-Singapore FTA, and Turkey-Singapore FTA.[53] It is currently undergoing negotiations for RCEP and bilateral FTAs with Canada, Mexico, Pakistan, and Ukraine.[54]

2. Singapore's Stance on the TPP

Singapore's advocacy for free trade and the stalled negotiations of the WTO Doha round provided the impetus for Singapore, together with the other P4 countries—Brunei, New Zealand, and Chile—to establish TPSEP in May 2006. [55] Their goal was to start out with a high quality comprehensive multilateral trade agreement among the APEC countries. In this sense, Singapore is considered one of the founders of the TPP, which evolved from TPSEP after the inclusion of the United States and other Asia-Pacific countries.[56] Despite being a small country, Singapore has managed to wield significant influence in attracting the world's largest economy, the United States, in joining TPSEP, transforming it into the TPP, and in turn writing the trade rules of the 21st century.[57]

Singapore is a key proponent of the TPP and has encouraged other APEC countries to join this trade pact when the United States was part of it, as Singapore believes that the TPP has the potential to eventually become the core of the largest FTA in the Asia-Pacific region.[58] As Singapore has a small and open economy that depends heavily on trade, it is in Singapore's national interest to pour in increased resources to see

---

[53] Ibid.

[54] "Singapore Free Trade Agreements," International Enterprise Singapore, April 22, 2017, https://www.iesingapore.gov.sg/Trade-From-Singapore/International-Agreements/free-trade-agreements/Singapore-FTA.

[55] Aggarwal, "Introduction: The Rise of Mega-FTAs in the Asia-Pacific," 1008;

Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?," 348.

[56] Ibid.

[57] Evan Rogerson, "New Nationalism in Trade: Regional Responses," *S. Rajaratnam School of International Studies Commentary* no. 103 (May 25, 2017).

[58] S. Iswaran, "Keynote Speech by 2nd Minister for Trade & Industry, S. Iswaran, at the CSIS Singapore Conference," *Singapore Ministry of Foreign Affairs*, February 8, 2012, https://www.mfa.gov.sg/content/mfa/overseasmission/washington/newsroom/press_statements/2012/20120 2/press_20120208_03.html.

the TPP through to completion and implementation, as this trading bloc signifies the survival and flourishing of free trade in this region.[59]

3. First Hypothesis for Why Singapore Joined the TPP: Countries with Lower Support for Protectionism Are More Likely to Join the TPP

With close to zero trade tariffs, Singapore is known as one of the countries with the lowest levels of protectionism as seen by the openness of its economy. The Singapore government and the business community have always been in favor of free trade, given its small domestic market and the need to rely on foreign markets.[60] Although Singapore has existing FTAs with all other TPP members except Canada and Mexico, the government has a strong desire to help indigenous businesses gain access to newer markets and facilitate the flow of trade and investment through reduced "behind-the-border" barriers.[61] As one of the founders of the TPP, Singapore easily joined the trade pact as support for protectionism from the government is virtually non-existent, and domestic interest groups lack the political strength to oppose the trade deal.[62]

a. Degree of Political Strength of Domestic Protectionist Interest Groups

Apart from a few individuals on social media expressing concern about the impact of the TPP on access to affordable life-saving medicine and questioning what the TPP negotiations encompassed before the details were released when negotiations were

---

59 Aaron Low, "Failure of TPP Will Be Blow to Free Trade and Singapore," *Straits Times,* August 24, 2016, http://www.straitstimes.com/business/failure-of-tpp-will-be-blow-to-free-trade-and-spore;

Yan Min Chia, "TPP: What's in It for Singapore?" *Straits Times*, October 14, 2015, http://www.straitstimes.com/business/economy/tpp-whats-in-it-for-singapore;

Iswaran, "Keynote Speech by 2nd Minister for Trade & Industry, S Iswaran, at the CSIS Singapore Conference."

60 Joshua Kurlantzick, "What Will the TPP Mean for Southeast Asia?" *Council on Foreign Relations*, June 25, 2015, https://www.cfr.org/blog-post/what-will-tpp-mean-southeast-asia.

61 "Trans Pacific Partnership Free Trade Agreement (TPP): 7 Things You Should Know," Singapore Ministry of Trade and Industry, October 5, 2015, 3, https://www.mti.gov.sg/MTIInsights/SiteAssets/Pages/TPP/Seven%20things%20you%20should%20know%20about%20the%20TPP%20(Final).pdf;

Yan Min Chia, "How Trade Accords Benefit Singapore," *Straits Times,* October 11, 2015, http://www.straitstimes.com/business/economy/how-trade-accord-benefits-singapore.

62 Capling and Ravenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?," 569.

concluded in October 2015, interest groups in general have not actively opposed the TPP.[63] Not only is there an absence in the political strength of such groups, there is scant evidence of any special interest groups focused on protectionism or opposed to the TPP. In fact, business associations such as the Singapore Business Federation have shown staunch support for the TPP because it would enable small and medium-sized enterprises (SME) to enter a massive market of approximately 800 million people, integrate into regional production and supply chains, and bid for government contracts in other TPP nations.[64]

b. Degree of Political Will of Government to Reduce Protectionism

Singapore Prime Minister Lee Hsien Loong has been a key supporter of the TPP, as it will not only provide businesses access to new markets but also allow them to take advantage of even greater trade and investment between Singapore and existing FTA partners. These opportunities are made possible by various TPP provisions, such as the reduction of non-tariff barriers, facilitating SMEs to compete on a level-playing field, and being able to bid for foreign government procurement projects.[65] Prime Minister Lee's position on the TPP is firmly supported by the Ministry of Trade and Industry, which promotes the TPP for its huge market opportunities for Singapore firms, its additional

---

63 Wee Teck Young, "Trans-Pacific Partnership: The Demise of Our Enquiry?" *Online Citizen*, July 11, 2014, https://www.theonlinecitizen.com/2014/07/11/trans-pacific-partnership-the-demise-of-our-enquiry/.

64 "Trans Pacific Partnership Free Trade Agreement (TPP): 7 Things You Should Know," Singapore Ministry of Trade and Industry;

Kelly Tay and Soon Weilun, "Despite Optimism over Historic TPP, Doubts Persist," *Business Times*, October 7, 2015, http://www.businesstimes.com.sg/government-economy/despite-optimism-over-historic-tpp-doubts-persist;

Chia, "TPP: What's in It for Singapore?";

"SBF Urges Asian Businesses to Call on Their Respective Governments to Support the Trans Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP) at the 6th Asian Business Summit," Singapore Business Federation, July 14, 2015, http://www.sbf.org.sg/sbf-urges-support-for-tpp-rcep.

65 Chong Zi Liang, "TPP Offers New Opportunities, Negative Impact Will Be Muted: PM Lee," *Straits Times*, November 20, 2015, http://www.straitstimes.com/singapore/tpp-offers-new-opportunities-negative-impact-will-be-muted-pm-lee;

Malminderjit Singh, "Singapore to Host TPP Free Trade Talks from Monday," *Business Times*, March 2, 2013, retrieved from LexisNexis.

value as a high-standard regional agreement that calls for good governance and corruption reduction, and greater transparency of trade regulations with which it is easier for Singapore firms to comply.[66]

The Singapore government joined the TPP as it possesses strong political will to suppress protectionism as well as liberalize its already very open economy to reap the benefits that free trade brings to the economy. The Singapore leadership and government do not protect local companies from foreign competition. In fact, they continuously create a conducive and liberalized environment for both local and foreign firms alike to operate. In addition to strong political will, and given that it is one of the most liberalized countries in the world, its economy is in a good position to meet the gold-standard provisions of the TPP, as it is a proponent of eliminating tariffs and liberalizing trade in goods and services.[67].

c. Assessment of First Hypothesis in the Case of Singapore

Given the lack of political strength of domestic protectionist interest groups and the government's push for free trade and continued liberalization in Singapore, it is assessed that Singapore faces virtually no protectionist pressure to hinder the country from joining the TPP. The Singapore case supports the first hypothesis that countries with lower levels of support for protectionism are more likely to join the TPP.

4. Second Hypothesis for Why Singapore Joined the TPP: Countries Supporting a Stronger U.S. Role in the Asia-Pacific Are More Likely to Join the TPP

While most countries in Southeast Asia strategically hedge between the United States and China, Singapore included, it can be observed that Singapore is perhaps the most outspoken country; it has called for the U.S. to be an anchor in the region, especially through the TPP, which the Obama administration declared as one of the key

---

66 "Trans Pacific Partnership Free Trade Agreement (TPP): 7 Things You Should Know," Singapore Ministry of Trade and Industry.

67 Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?," 351;

Ravenhill, "The Political Economy of an "Asian" Mega-FTA," 1086.

elements in its policy of rebalancing to the Asia-Pacific.[68] It is clear that Singapore desires the United States to play a larger economic role in the region by leading the TPP, paving the way to concluding gold-standard comprehensive RTAs, and setting the stage for a 21st century international trading environment. Despite having to maintain a balance between strengthening relations with both the Washington and Beijing, Singapore also wants the United States to take a more active security role in the region, particularly in the maritime arena, and deems that the United States would do so as it would have a larger vested economic interest in keeping peace and stability in the region.[69] Not only is Singapore a solid and unwavering participant in the TPP, it has also continuously stressed that the United States remain committed to this trade deal, because Singapore would like the United States to be more tightly connected to the region on both the economic and the security fronts.[70]

a. View of the U.S. Security Role in the Asia-Pacific

Singapore fervently believes that U.S. participation in the TPP has strategic security implications for the region.[71] As Singapore is a small and open trading nation that places a high level of importance on keeping the trade flows going in a peaceful region, it wants increased U.S. presence to maintain this peace in the Asia-Pacific by acting as a counter to China's rising influence and aggressiveness in the South China Sea.[72] As a close security partner of the United States, Singapore hosted P-8s and Littoral Combat Ships to demonstrate that it supported the U.S. pivot to the region.[73]

---

[68] Chia, "TPP: What's in It for Singapore?"

[69] Masanori Hasegawa, "Close Economic Exchange with a Threatening State: An Awkward Dilemma over China," *Asian Security* (April 18, 2017): 10, DOI: 10.1080/14799855.2017.1312348.

[70] Desker, "The Eagle and the Panda: An Owl's View from Southeast Asia," 26–27.

[71] Chong Zi Liang, "Great Loss if TPP Does not Come to Fruition: PM Lee," *Straits Times*, November 21, 2016, http://www.straitstimes.com/politics/great-loss-if-tpp-does-not-come-to-fruition-pm-lee.

[72] Rachel Au-Yong, "Delays in TPP 'Could Affect US Presence in Asia'," *Straits Times*, September 21, 2014, retrieved from LexisNexis.

[73] Prashanth Parameswaran, "Opportunities and Challenges in Strengthening US-Singapore Ties," *East Asia Forum*, September 3, 2016, http://www.eastasiaforum.org/2016/09/03/opportunities-and-challenges-in-strengthening-us-singapore-ties/.

Nevertheless, while Singapore welcomes the increased security engagement by the United States and appears to be slightly aligned with that nation, it also needs to be mindful of how this would look to China, and be conscious of maintaining its neutrality when hosting ASEAN-China dialogue sessions as country coordinator.[74] Singapore, like Malaysia and other Southeast Asian states, cannot afford to be involved in the potential great power rivalry and must continue strengthening its bilateral relations with both the United States and China while not outwardly aligning with either country.

Singapore also linked the security role of the United States in the Asia-Pacific to that of its regional credibility. On several occasions, Prime Minister Lee urged Washington to ratify the TPP, as failure to do so would reduce the credibility of the United States as a regional leader, an ally, and an advocate of such trade agreements.[75] He added that allies and partners in the region needed the United States to stay committed to the trade deal to exert its economic might and ensure regional stability, but would lose trust in the United States if it were unable to uphold its commitment in rebalancing towards Asia-Pacific.[76] Singapore firmly remains in the TPP as the government believes that a U.S.-led RTA is crucial in preserving regional security and stability.

b. View of the U.S. Economic Role in the Asia-Pacific

With the United States leading the TPP, Singapore sees a greater U.S. economic role in the region. Although Singapore currently has an FTA with the United States, which means that its exports to that country already enjoy preferential tariffs, certain types of goods such as processed food and textile and apparel from Singapore would get to enjoy better duty-free treatment to key markets such as the United States and Japan.[77]

---

[74] Parameswaran, "Opportunities and Challenges in Strengthening US-Singapore Ties."

[75] Euan Graham, "Singapore's Existential Serve on the TPP," *Lowy Institute*, August 3, 2016, https://www.lowyinstitute.org/the-interpreter/singapore-s-existential-serve-tpp;

Steven Okun and Deborah Elms, "PM Lee Is Right – This US Congress Must Pass the TPP," *Straits Times*, August 24, 2016, http://www.straitstimes.com/opinion/pm-lee-is-right-this-us-congress-must-pass-the-tpp-economicaffairs.

[76] Low, "Failure of TPP Will Be Blow to Free Trade and Singapore."

[77] "Trans Pacific Partnership Free Trade Agreement (TPP): 7 Things You Should Know," Singapore Ministry of Trade and Industry.

It would also allow Singapore information technology, construction, and consultancy companies to bid for government procurement projects in countries such as Malaysia, Vietnam, and Mexico, which are currently not open to foreign companies.[78] The successful implementation of the TPP would also indirectly benefit Singapore, as TPP nations might utilize Singapore's commercial services and business-friendly institutions to facilitate trade with other partners.[79] Singapore views U.S. participation in the TPP as key to propping up the regional economy, which is important for Singapore.

While Singapore establishes closer economic links with the United States through this RTA, it also shows great support for China-led economic arrangements, such as being one of the first few countries to join the Asian Infrastructure Investment Bank (AIIB), promoting RCEP and pushing its negotiations along, and taking part in the One Belt, One Road initiative to rebuild Silk Road trade infrastructure.[80] As China is also Singapore's largest trading partner, Singapore would not solely focus on the TPP at the expense of its economic linkage with China. In fact, Singapore would not only maintain but increase its economic cooperation with China, given Singapore's small economy that is highly dependent on trade with as many nations as possible. Singapore engages in inter-institutional balancing by promoting the TPP and China-led RCEP to indicate its backing of both trade arrangements, as well as to subtly signal that no single major economic power should dominate the Asia-Pacific region.[81] Therefore, Singapore remains a consistent member of the TPP and constantly reminds Washington to go ahead with the TPP ratification because it wants the U.S. economic presence to act as a counter-balance to China's overwhelming economic influence.

c. Assessment of Second Hypothesis in the Case of Singapore

It can be seen that Singapore advocates for the United States, via its TPP leadership and participation, to exert greater influence in the economic and security

---

[78] "Trans Pacific Partnership Free Trade Agreement (TPP): 7 Things You Should Know," Singapore Ministry of Trade and Industry.

[79] Low, "Failure of TPP Will Be Blow to Free Trade and Singapore."

[80] Chia, "TPP: What's in It for Singapore?"

[81] Lee, "Institutional Balancing and the Politics of Mega-FTAs in East Asia," 1062–1063.

realms, in order to counter China's rising influence, and in turn maintain the current peace enjoyed by all nations in the region. Even though Singapore ensures that it is equidistant between both great powers, it is observed that Singapore is clearly signaling for the United States to increase its involvement in the Asia-Pacific region. This would support the second hypothesis that countries that desire a stronger U.S. role in the Asia-Pacific are more likely to join the TPP. The Singapore case shows that the need for the United States to have a larger role in the region incentivizes it to remain committed to the TPP.

5. Assessment of Both Hypotheses

The evidence from the Singapore case supports both hypotheses: The absolute lack of protectionism on the part of the government and the public, and the strong support for trade liberalization in Singapore led the country to join the TPP; Singapore welcomes the U.S. leadership in the TPP as part of its rebalance to the region, and remains committed to the TPP as it perceives and expects the United States to play a larger role in both the economic and security aspects to maintain peace and stability in Asia-Pacific. From the economic perspective, Singapore joined the TPP as local businesses would have better access to new markets such as Canada and Mexico, enjoy better duty-free treatment by the United States and Japan, and enable Singapore companies to bid for government procurement projects in countries that previously did not allow foreign bidders.

C. VIETNAM

This segment on Vietnam examines its attitude toward trade and FTAs and its favorable view of the TPP, and demonstrates that the evidence gathered in the Vietnam case, like that of Singapore, supports both hypotheses for why it decided to join the TPP.

1. Vietnam's Stance on Trade and FTAs

The Vietnamese Communist Party (VCP) embarked on economic reforms under the Doi Moi policy, as it saw a need to repair its war-torn economy in the mid-1980s when the declining Soviet Union had diminished resources to support Vietnam during the

Cambodian-Vietnamese conflict from 1975 to 1991. One of the key economic reforms was to establish closer economic relations with the rest of the world through increasing trade.[82] In order for this low-income country to spur economic growth and development, Vietnam opened up, transitioned to a market economy, and joined the WTO on January 11, 2007, to further its integration into the multilateral trading system.[83] The strong emphasis on increasing trade with other countries has resulted in trade gaining greater importance for Vietnam's economy, drastically increasing from a trade-to-GDP ratio of 18.1% in 1985 to 185% in 2016.[84]

In addition to WTO accession, Vietnam has also sought to establish bilateral and regional trade agreements with various countries in its pursuit of trade liberalization.[85] On the bilateral front, Vietnam has two trade agreements with the United States.: A bilateral trade agreement between Vietnam and the United States, which was entered into force in 2001, and a Trade and Investment Framework Agreement (TIFA) signed on June 21, 2007.[86] The bilateral trade agreement provided Vietnamese exports with better access to the U.S. market due to a fall in tariffs from 40% to 3%, and the TIFA saw further reductions in Vietnam's Most Favored Nation tariffs following its WTO accession.[87] Vietnam has a Comprehensive Economic Partnership Agreement with Japan, which was implemented on October 1, 2009, and promotes trade liberalization in goods and

---

82 "Trade Policy Review: Report by the Secretariat, Viet Nam," World Trade Organization, November 4, 2013, 33, https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=120527,118699&CurrentCatalogueIdIndex=0&FullTextHash=&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True.

83 Ibid.;

Rakhmat Syarip, "Responding to the Trans-Pacific Partnership (TPP): Comparative Study on International Trade Policy of Malaysia, Vietnam and Indonesia" (master's thesis, Ritsumeikan Asia Pacific University, 2015), 107.

84 "Trade (% of GDP)," World Bank, accessed July 1, 2017, http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS;

Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 106.

85 "Trade Policy Review: Report by the Secretariat, Viet Nam," 37.

86 Ibid., 38–39.

87 Ibid.

services.[88] In 2015, Vietnam signed bilateral FTAs with Korea and the customs union of Belarus, Kazakhstan, and the Russian Federation.[89] It has completed FTA negotiations with the European Union (EU) and is awaiting ratification, and is currently negotiating a trade agreement with the EFTA.[90]

Vietnam has taken part in a few regional FTAs. As a member of AFTA, which was signed in 2002, when ASEAN implemented FTAs with China, Japan, Korea, India, Australia, and New Zealand, Vietnam benefited in terms of greater exports in agriculture, fisheries, textiles, and footwear.[91] Although it takes a more cautious stance when it comes to RTAs, preferring to negotiate as a nation grouping that is ASEAN, Vietnam is one of the early members of the TPP, and the government shows more enthusiasm for this particular RTA.[92] Vietnam is also part of the RCEP grouping.

2. Vietnam's Stance on the TPP

Vietnam was the first country in Southeast Asia to express its keen interest to join the P4-led TPSEP talks after the United States announced its intention to do so in September 2008.[93] It joined the TPP talks as an associate member from March to October 2010, before announcing in November 2010 that it would officially join the TPP negotiations as a full member at the sidelines of the 18th APEC Ministerial Meeting held

---

88 "Negotiating the Trans-Pacific Partnership (TPP)," Ministry of Industry and Trade of the Socialist Republic of Vietnam, November 19, 2012, http://www.moit.gov.vn/web/guest/tin-chi-tiet/-/chi-tiet/%C4%91am-phan-hiep-%C4%91inh-%C4%91oi-tac-kinh-te-xuyen-thai-binh-duong-tpp--2607-72.html;

"Joint Press Statement on the occasion of the entry into force of the Agreement between Japan and the Socialist Republic of Viet Nam for an Economic Partnership," Ministry of Foreign Affairs of Japan, October 1, 2009, http://www.mofa.go.jp/region/asia-paci/vietnam/epa0910/joint.html.

89 "Vietnam – Trade Agreements," export.gov, July 19, 2017, https://www.export.gov/article?id=Vietnam-Trade-Agreements

90 "Negotiating the Trans-Pacific Partnership (TPP)."

"Vietnam – Trade Agreements."

91 "Trade Policy Review: Report by the Secretariat, Viet Nam" 38.

92 Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 105–106.

93 Sanchita Basu Das, "The Trans-Pacific Partnership as a Tool to Contain China: Myth or Reality?" *East Asia Forum*, June 8, 2013, http://www.eastasiaforum.org/2013/06/08/the-trans-pacific-partnership-as-a-tool-to-contain-china-myth-or-reality/;

Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 105.

in Japan.[94] Vietnam has been an enthusiastic and eager participant in seeing the conclusion of the TPP negotiations, given the huge economic benefits that Vietnam stands to gain from this mega-regional FTA, such as greater access to a massive market of 800 million people, an estimated 10% growth in GDP, and a 30% increase in Vietnamese exports.[95] It also wants to make use of its TPP participation to facilitate its domestic economic reforms in increasing its trade liberalization and reforming its state-owned enterprises (SOE), promoting exports of its relatively low-wage, labor-intensive industries, and enhancing integration in regional supply chains.[96]

3. First Hypothesis for Why Vietnam Joined the TPP: Countries with Lower Support for Protectionism Are More Likely to Join the TPP

Although there is a certain level of support for protectionism on the part of the state, such as the VCP managing to obtain several exceptions for certain TPP provisions and longer transition periods for its SOE reforms, the government has had the political will to push for trade liberalization and international economic integration as it prioritized economic growth and development to legitimize the VCP regime. The greater political influence from VCP reformists and support from export-oriented business entrepreneurs in joining the TPP showed that the level of protectionism in Vietnam is generally low.[97]

a. Degree of Political Strength of Domestic Protectionist Interest Groups

Similar to other countries, Vietnam's export-oriented industries are highly supportive of the country's participation in the TPP, as they stand to benefit from lower

---

94 "Trade Policy Review: Report by the Secretariat, Viet Nam" 38;

"Negotiating the Trans-Pacific Partnership (TPP)."

95 World Bank, "Potential Implications of the Trans-Pacific Partnership," Global Eco Prospects, January 2016, 1, http://pubdocs.worldbank.org/en/287761451945044333/Global-Economic-Prospects-January-2016-Highlights-Trans-Pacific-Partnership.pdf;

Peter A. Petri and Michael G. Plummer, "The Economic Effects of the Trans-Pacific Partnership: New Estimates," *Peterson Institute for International Economics*, January 2016, 11, 21;

Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 103, 105.

96 Petri and Plummer, "The Economic Effects of the Trans-Pacific Partnership: New Estimates," 10;

World Bank, "Potential Implications of the Trans-Pacific Partnership," 1.

97 Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 104.

import tariffs and better access to huge markets, especially the United States and Japan.[98] Producers in the textile and footwear industries, as well as business associations, are non-state groups that would see a boost in exports and investment when the TPP is officially entered into force. As one of the major sectors constituting about 15% of Vietnam's GDP and 18% of Vietnam's total exports, garment and textile exports are projected to rise from US$8.6 billion in 2013 to US$30 billion by 2020.[99] In May 2013, the Vietnam Leather and Footwear Association (Lefaso) stated that as footwear exports made up 6% to 8% of export revenue, the Vietnamese government had identified footwear exports as one of the main TPP priorities for Vietnam.[100] In addition, business associations such as the Vietnam Chamber of Commerce and Industry and American Chambers of Commerce in Vietnam were very active in preparing Vietnamese local enterprises in expanding into the U.S. market, and engaging the Ministry of Industry and Trade (MOIT) and other TPP stakeholders via forums and seminars.[101]

The export-oriented businesses are more outwardly supportive of Vietnam's TPP participation, as compared to a few non-state groups that would lose out; but, they are relatively muted as the VCP restricts public protests in the country.[102] The Vietnam Network of People living with HIV is one such interest group that is concerned with the impact of the intellectual property and patent provisions on medicine costs.[103] Yet, this activist organization recognizes that Vietnam requires the TPP for overall future benefits, and is willing to sacrifice affordability of medicine for other economic benefits.[104] Due to the absence of strong organized non-state groups to act as a check on the government's manipulation of the domestic market through its SOEs and its push for deeper reforms,

---

98 Ibid., 125.

99 "Garments and Textiles in Vietnam – Is The Future as Bright as The Past?," eos intelligence, June 5, 2015, http://www.eos-intelligence.com/perspectives/?p=1535.

100 "Vietnam Footwear Industry & the TPP," Vietnam Leather and Footwear Association (Lefaso), May 2013, http://www.acuerdoscomerciales.gob.pe/images/stories/tpp/Room_A/8_Presentation.pdf.

101 Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 126.

102 Ibid., 120, 130.

103 Luong Dien, "Why Vietnam Loves the Trans-Pacific Partnership," *Diplomat*, March 16, 2016, http://thediplomat.com/2016/03/why-vietnam-loves-the-trans-pacific-partnership/

104 Luong, "Why Vietnam Loves the Trans-Pacific Partnership."

joining the TPP and pressure from TPP member nations thus serve as a greater impetus for the government to embark on domestic economic reforms.[105]

The support from the export-oriented groups greatly surpasses any protectionist sentiment expressed by other interest groups. In fact, the public has generally endorsed their country's participation in the TPP, as shown in a 2015 Pew survey in which 89% of Vietnamese believed that the TPP will do the country good, as compared to a low 2%.[106] Therefore, it is assessed that the domestic protectionist interest groups do not have much political voice and influence over the VCP's decision for Vietnam to enter TPP negotiations.

b. Degree of Political Will of Government to Reduce Protectionism

VCP reformists exert more political pressure than their conservative counterparts in influencing Vietnam's TPP participation as a way to push for its domestic economic reforms. The Doi Moi policy, also known as economic renovation, gave rise to the VCP reformists who wanted to economically liberalize Vietnam to reduce its reliance on the Soviet Union.[107] These reformists also attempted to preserve their monopoly on political power by focusing on economic growth and development to gain legitimacy for the VCP.[108] The Doi Moi policy proved effective in propelling the economy forward, as seen by Vietnam's transition from a poor to lower middle-income country with a fourteen-fold increase in the value of its GDP from US$14 billion in 1985 to US$202 billion in 2016, as well as the dramatic drop in its poverty rate from 60% in the late 1960s to 13.5% in 2014.[109] Vietnam's keen pursuit of FTAs, especially the TPP, is a continuation of its

---

[105] Jonathan Pincus, "Vietnam: In Search of a New Growth Model," *Southeast Asian Affairs*, Volume 2016, 382, 395–396.

[106] Luong, "Why Vietnam Loves the Trans-Pacific Partnership";

Van Hoa Tran, "Can Vietnam Reform without the TPP?" *East Asia Forum*, June 8, 2017, http://www.eastasiaforum.org/2017/06/08/can-vietnam-reform-without-the-tpp/.

[107] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 121–122.

[108] Pincus, "Vietnam: In Search of a New Growth Model," 380;

Le Hong Hiep, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," *Australian Strategic Policy Institute*, June 2012, 2.

[109] World Bank, "Vietnam," accessed July 1, 2017, http://data.worldbank.org/country/vietnam?view=chart;

integration into the global economy to provide an impetus for domestic policy reforms, and a reflection of its willingness to lower its protectionism.[110]

VCP possesses strong political will to pursue TPP because of its economic and strategic importance, and through the economic reforms is willing to lower protectionism despite its development gap with other members.[111] The market-oriented VCP reformists believe that the comprehensive, high-standard TPP requirements would encourage Vietnam to pursue domestic economic reforms that are pertinent to ramping up its economic growth, as well as facilitate the country to embark on deeper market-oriented institutional changes.[112] Leading the reformist faction was former Secretary General Nong Duc Manh, who was elected in both the Ninth and Tenth VCP Congress.[113] Former Prime Minister Nguyen Tan Dung and former President Nguyen Minh Triet were also active reformists, with former Prime Minister Dung repeatedly emphasizing Vietnam's commitment to speed up and conclude negotiations after Vietnam joined the TPP in 2008.[114] This shows the VCP's willingness to reduce Vietnam's protectionism as part of further domestic economic reforms that are expected to come with the TPP.

The VCP has endeavored to continue its active participation in the TPP, after it made the decision to join the trade pact in 2008. The TPP is one avenue for Vietnam to

---

World Bank in Vietnam, "Overview," accessed July 1, 2017, http://www.worldbank.org/en/country/vietnam/overview.

[110] Vo, "Vietnam's Perspectives on Regional Economic Integration," 109;

Le, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," 2;

Hong Hiep Le, "The Vietnam-US-China Triangle: New Dynamics and Implications," *Institute of Southeast Asian Studies Perspective,* no. 45 (August 25, 2015): 7.

[111] Hong Hiep Le, "The TPP's Impact on Vietnam: A Preliminary Assessment," *Institute of Southeast Asian Studies Perspective,* no. 63 (November 4, 2015): 5.

[112] Thomas Jandl, "It's Time for Domestic Changes in Vietnam," *East Asia Forum*, December 20, 2015, http://www.eastasiaforum.org/2015/12/20/its-time-for-domestic-changes-in-vietnam/;

Hong Hiep Le, "Reviewing Vietnam's Economic Reforms since the CPV's Twelfth Congress," *Institute of Southeast Asian Studies Perspective,* no. 2 (January 5, 2017): 8;

Brock R. Williams, Ben Dolven, Ian F. Fergusson, Mark E. Manyin, Michael F. Martin, and Wayne M. Morrison, *The Trans-Pacific Partnership: Strategic Implications* (CRS Report No. R44361) (Washington, DC: Congressional Research Service, 2016), 4, https://www.hsdl.org/?view&did=790838.

[113] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 123.

[114] Ibid., 123–124.

achieve industrialization and modernization under socialist orientation, which according to the government's latest defense White Paper is Vietnam's most significant national interest.[115] Following up on that, the TPP would serve as part of the blueprint for economic restructuring from 2016 to 2020 to i) focus on and develop higher-value-added industries, such as the garment industry; ii) undertake international integration by shifting the government's attention to the domestic private sector and attracting foreign direct investment (FDI); and iii) reforming the state-led sector by revamping SOEs.[116] Vietnam's SOEs would be compelled to comply with trade and environmental standards as spelled out by the TPP, and failure to do so would result in the United States reinstating tariffs on Vietnam's imports to the United States.[117]

VCP conservatives have voiced their worries that joining the TPP would be a threat to the VCP's socialist rule, as this would imply that VCP embraced market liberalization and appeared to lean to the West.[118] These conservative elites have links to SOEs, and they fear that abiding by TPP rules to undergo SOE reform would take away the benefits they are currently enjoying.[119] However, the VCP reformists seem to exert greater influence over this key economic decision, as the VCP leadership reached a consensus to join the TPP in spite of the VCP conservatives' opposition.[120]

Although the VCP reformists are firm in their push for the TPP to fuel further domestic economic reforms, Vietnam has managed to maintain some level of protectionism by successfully negotiating for several exceptions in some TPP provisions, based on Vietnam's relatively lower level of development.[121] One such exception is the

---

[115] Ngyuen Manh Hung, "New Context of Vietnam's National Security Challenges," *Institute of Southeast Asian Studies Trends in Southeast Asia*, no. 17 (2016): 1.

[116] Phuong Nguyen, "Vietnam in 2016: Searching for a New Ethos," *Southeast Asian Affairs* (2017): 412–413.

[117] Sheldon Simon, "US-Southeast Asia Relations: Commitment Concerns," *Comparative Connections* 17, no. 3 (January 2016): 57.

[118] Le, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," 4.

[119] Jandl, "It's Time for Domestic Changes in Vietnam."

[120] Jonathan D. London, "Is Vietnam on the Verge of Change?" *Current History* 114, no.773 (2015): 231.

[121] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 131.

'yarn forward rule of origin,' which requires inputs into products sold to other TPP nations to come from only TPP nations.[122] Vietnam has sought to delay abiding by this TPP provision for three years and justified the delay by explaining that it needed the time to produce its own domestic inputs.[123] This then buys Vinatex, a state-owned garment and textile enterprise, some time to reform itself gradually to improve the quality of its inputs into output and eventually capture a larger share of value added from its exports.[124] Similar to Malaysia, Vietnam has also managed to negotiate for a five-year transition period for the reform of its SOEs, such as removing preferential treatment for these enterprises.[125] Vietnam is not willing to immediately abide by this sensitive TPP provision, as SOEs make up about 40% of total economic output, still a somewhat substantial proportion, and the VCP has used SOEs to provide employment in exchange for its legitimacy.[126] It is not easy for the Vietnamese leadership to apply shock therapy on its SOE reforms, as it wants to retain as much of the state sector as it can afford to so as to maintain its political hold.[127] Therefore, the VCP is not willing to forego this level of protectionism for these two primary TPP provisions in the short term.

Despite VCP conservatives having reservations about further market liberalization and deeper international economic integration that might undermine their political standing, and in spite of the Vietnam government scoring exceptions in some TPP provisions during negotiations that might slow down its pace of economic reforms and maintain its protectionism, the VCP leadership has mustered the political will to push ahead with the TPP because its priority is economic performance, which would beget its legitimacy. As the economy has begun to observe slower growth and approaches a

---

[122] Peter Drysdale, "Vietnam's Pivot to the West?" *East Asia Forum*, December 21, 2015, http://www.eastasiaforum.org/2015/12/21/vietnams-pivot-to-the-west/.

[123] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 131.

[124] Pincus, "Vietnam: In Search of a New Growth Model," 392–393.

[125] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 131;

Pincus, "Vietnam: In Search of a New Growth Model," 394.

[126] Phuong, "Vietnam in 2016: Searching for a New Ethos," 413;

Jandl, "It's Time for Domestic Changes in Vietnam."

[127] Murray Hiebert, "Amending Vietnam's Constitution: Why Washington Cares," *Center for Strategic and International Studies*, October 31, 2013.

middle-income trap, the public has shown increasing resentment against the government.[128] To secure their political support and mitigate this resentment while acknowledging that economic restructuring is necessary, the VCP leadership has been doing its best for its country to successfully enter TPP negotiations to boost trade and escape the middle-income trap.[129]

Aside from the overwhelming influence of the VCP, especially the economic reformists, the MOIT is one of the main proponents of the TPP. This ministry is the lead agency in the TPP negotiations and has taken on the role of socializing domestic businesses on the status of Vietnam's TPP Participation via a conference held in November 2013.[130] The Ministry also frequently consults with and updates VCP leadership concerning TPP talks.[131] In addition, the MOIT is supported by the Ministry of Agriculture and Rural Development, which advocates agricultural-based exports.[132] These two ministries have also had some influence and political strength in reducing the country's protectionism and facilitating Vietnam's entry into the TPP.

c. Assessment of First Hypothesis in the Case of Vietnam

Not only do domestic protectionist interest groups in Vietnam have little to no political influence over the TPP, the general public and the export-oriented businesses especially have overwhelming support for the TPP. This reflects the weak domestic protectionist pressure on the part of non-state groups. As for the government, although the VCP conservatives have raised concerns that pursuing the TPP might threaten their legitimacy as they would appear to veer further away from Vietnam's socialist orientation, and might lose the profits they are reaping with their linkages to SOEs, the VCP reformists and MOIT have shown greater political strength and asserted that

---

[128] World Bank, "New Report Lays Out Path for Vietnam to Reach Upper-Middle-Income Status in 20 Years," World Bank News, February 23, 2016, http://www.worldbank.org/en/news/press-release/2016/02/23/new-report-lays-out-path-for-vietnam-to-reach-upper-middle-income-status-in-20-years.

[129] Le, "The US-Vietnam Comprehensive Partnership: Key Issues and Implications."

[130] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 127.

[131] Ibid.

[132] Ibid.

Vietnam needs to join the TPP as a continuation of its Doi Moi policy to spur greater domestic economic reforms and reduce protectionism. While the VCP is still quite protectionist in certain sectors in the interim, by negotiating for exceptions in some TPP provisions such as the 'yarn forward rule of origin' and reforming SOEs, its leadership joined the TPP. This relatively limited support for protectionist policies exhibited by both the government and non-state groups on the whole leads to my assessment that the Vietnam case supports the hypothesis that countries with a lower level of support for protectionism are more likely to join the TPP.

4. Second Hypothesis for Why Vietnam Joined the TPP: Countries Supporting a Stronger U.S. Role in the Asia-Pacific Are More Likely to Join the TPP

Similar to Singapore, and like other small nations in Southeast Asia, Vietnam hedges in its relations with the United States and China, and adopts an omnidirectional foreign policy as it expands and diversifies its relations with the two great powers and other countries.[133] While the economic motivation to multilateralize as part of its international economic integration is strong, there is also a security aspect to Vietnam's support for the TPP.[134] It has been observed that Vietnam's relations with the United States have improved tremendously since the normalization of relations in 1995, starting with the U.S.-Vietnam bilateral trade agreement that took effect in 2001, and culminating in Vietnam's participation in the U.S.-led TPP and the U.S.-Vietnam comprehensive partnership in 2013.[135] Despite maritime territorial disputes in the South China Sea and China's increasing assertiveness, Vietnam wants to continue maintaining stable and peaceful ties with China, as China is Vietnam's largest trading partner, and both countries are close ideological allies in terms of their current regimes.[136]

---

[133] Le Thu Huong, "Vietnam's Precarious Strategic Balancing Act," *East Asia Forum*, July 5, 2014, http://www.eastasiaforum.org/2014/07/05/vietnams-precarious-strategic-balancing-act/;

Le, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," 1.

[134] Ngyuen, "New Context of Vietnam's National Security Challenges," 7.

[135] Phuong, "Vietnam in 2016: Searching for a New Ethos," *Southeast Asian Affairs* (2017): 414;

Le Thu Huong, "Vietnam's Precarious Strategic Balancing Act."

[136] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 115–116;

Although Vietnam has to soft-balance between both major powers as it does not wish to be entrapped in a potential great-power rivalry, like that of the Vietnam War, this shift in improved relations toward the United States is an indication that Vietnam desires the superpower to play a bigger role in the Asia-Pacific.[137] This could be attributed to the importance of trade with and investment from the United States, as well as Vietnam's use of its improved relationship with the United States as a hedging strategy against China and a form of preventive diplomacy, for fear that South China Sea disputes might worsen.[138] Vietnam's perception of the United States taking on a larger role in the region could serve as Vietnam's motivation for joining the TPP.

a. View of the U.S. Security Role in the Asia-Pacific

Vietnam wants the United States to assume a larger security role in the Asia-Pacific region via the TPP and its military might by establishing a greater presence in the region. Vietnam wants to form closer relations with the United States, albeit on a less threatening scale, such as through TPP participation and low-level security cooperation.[139] By joining the TPP, Vietnam signals to Washington that it warmly welcomes the American rebalance to the region, shows its willingness to enhance relations with its former enemy for strategic reasons, and also reflects the VCP's strong commitment to abide by the TPP's high standards and the party's own domestic economic reforms.[140] In addition to the TPP, Vietnam has also enhanced its defense cooperation with the United States, as the superpower allowed Vietnam to access its non-lethal defense in April 2007, gave US$18 million for Vietnam to buy patrol vessels, and fully lifted its embargo on lethal weapons sales to Vietnam in May 2016.[141] The

---

Le, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," 6.

[137] Le, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," 8; Ngyuen, "New Context of Vietnam's National Security Challenges," 30.

[138] Phuong, "Vietnam in 2016: Searching for a New Ethos," 414; Huong, "Vietnam's Precarious Strategic Balancing Act."

[139] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 116–117.

[140] Le, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," 7.

[141] Le, "The Vietnam-US-China Triangle: New Dynamics and Implications," 4;

Comprehensive Partnership signed by Vietnam and the United States in July 2014 underscored improved security relations between both countries, and this is in stark contrast with Vietnam's lack of defense ties with China.[142]

Vietnam also hopes to use its active participation in the TPP as a way to increase U.S. engagement in the region, and especially to deter China's aggression in the South China Sea and mitigate its perceived threats to Vietnam's sovereignty and of Chinese expansionism.[143] Vietnam faces a bigger threat from China as compared to other Southeast Asian countries, as both countries share the same land border and due to its historical legacy of being one of China's tributary states.[144] Vietnam needs the United States to play a bigger role in Asian security, as it is the only other major power capable of standing up to China's increased military build-up and growing assertiveness in the region.[145] Apart from linking the United States more closely to the region through the TPP, Vietnam has also sought support from Washington in Vietnam's South China Sea disputes with China. It has done so through affirming in its 2003 bilateral Comprehensive Partnership that disputes will be settled by peaceful means according to international law, and both China and Vietnam have emphasized the importance of the Declaration of Conduct of Parties in the South China Sea and concluding a Code of Conduct.[146]

Despite desiring a greater U.S. security presence in the region, especially in the maritime arena, Vietnam is careful not to step on China's toes. In addition to enhancing relations with the United States via less threatening means such as the TPP and other

---

Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 116–117;

Matt Spetalnick, "U.S. Lifts Arms Ban on Old Foe Vietnam as China Tensions Simmer," *Reuters*, May 21, 2016, http://www.reuters.com/article/us-vietnam-obama-idUSKCN0YD050.

[142] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 116–117;

Le, "The Vietnam-US-China Triangle: New Dynamics and Implications," 4.

[143] London, "Is Vietnam on the Verge of Change?" 234;

Le, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," 7.

[144] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 115;

Le, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," 6.

[145] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 116–117;

Ngyuen, "New Context of Vietnam's National Security Challenges," 22.

[146] Le, "The US-Vietnam Comprehensive Partnership: Key Issues and Implications."

low-level security cooperation, Vietnam strictly abides by its "three-no policy" of not having any military bases, not establishing any military alliances, and not aligning with any one country against another.[147] This would assure China that though Vietnam supports the U.S. pivot to the region, it does not support it to the extent of containing China.[148] In order to maintain a peaceful and stable relationship with China, and given that China is Vietnam's largest trade partner, both countries signed a Comprehensive Strategic Partnership in 2003, as previously mentioned.[149] Vietnam also balances its relations well with both major powers, scheduling visits to the United States and China close to each other.[150] It would improve its relationship with the United States just enough to act as a counter against China's aggressiveness, but not so far as to damage it ties with China.[151]

Some VCP conservatives have resisted establishing closer economic and security relations with Washington, claiming that it could lead to 'peaceful evolution,' in which the country's move towards a market economy through increased trade and investment and international economic integration could subject Vietnam to foreign influence prompting political reforms that might undermine the existing regime.[152] For that reason, these conservatives prefer stronger ties with China for the sake of regime security.[153] That said, the VCP leadership believes that the economic and strategic benefits of the TPP outweigh the potential cost to VCP regime security, as improved economic performance would serve the important purpose of ensuring that the VCP stays in power.

---

[147] Ngyuen, "New Context of Vietnam's National Security Challenges," 26;
Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 114.

[148] Ngyuen, "New Context of Vietnam's National Security Challenges," 26.

[149] Le, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," 6.

[150] Ngyuen, "New Context of Vietnam's National Security Challenges," 32.

[151] Le, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," 8.

[152] Ngyuen, "New Context of Vietnam's National Security Challenges," 11.

[153] Le, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," 5.

b. View of the U.S. Economic Role in the Asia-Pacific

Although China has become Vietnam's largest trade partner since 2004, the United States remains the largest export market for Vietnam.[154] By signing on to the TPP, Vietnam is expected to improve its export revenue with lower tariffs on top of the existing bilateral trade agreement between Vietnam and the United States, as it would be able to increase its exports, especially textiles and footwear, to the United States.[155] Greater and easier access to the enlarged market, of which America would be a part, is a key motivation for Vietnam to join the TPP. In this respect, Vietnam views a larger U.S. economic role in the region as an avenue to supporting and stimulating Vietnam's economy through the TPP.

In addition to securing increased U.S. economic presence through the TPP to increase its bilateral trade and U.S. investment in Vietnam, that country also sees a larger role for the United States in countering China's economic influence. Through this mega-regional FTA, smaller Southeast Asian nations such as Vietnam would be economically less dependent on China, and the increased multilateral trade within this bloc would enable Vietnam to resist economic blackmail or pressure from China.[156] Vietnam hopes that the TPP would help to reduce its large trade deficit with China, through the yarn forward rule of origin provision, which would encourage Vietnamese textile firms to improve the quality of textile sources and be less reliant on material imports from China.[157] In this way, reduced dependence on China for input materials would mitigate the security vulnerability that Vietnam faces as it is currently highly reliant on China for

---

[154] Phuong, "Vietnam in 2016: Searching for a New Ethos," 414;

Le, "Vietnam's Strategic Trajectory: From Internal Development to External Engagement," 6.

[155] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 108;

Phuong, "Vietnam in 2016: Searching for a New Ethos," 414.

[156] Stephen F. Burgess, "Rising Bipolarity in the South China Sea: The American Rebalance to Asia and China's Expansion," *Contemporary Security Policy* 37, no. 1 (March 23, 2016): 133, doi: 10.1080/13523260.2016.1149968.

[157] Le, "The Vietnam-US-China Triangle: New Dynamics and Implications," 7;

Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 119.

the production of its exports.[158] Through the TPP, Vietnam seeks to deepen its economic ties with the United States and reduce China's increasing economic might in the region.

c. Assessment of Second Hypothesis in the Case of Vietnam

It is apparent that there are both economic and security impetuses for Vietnam to join the TPP. While Vietnam is cautious in maintaining a balanced distance between both the Washington and Beijing, it has improved its relations with the former via the TPP and other bilateral engagements, which it sees as encouraging the United States to play a larger role in the Asia-Pacific. Vietnam wants increased U.S. military presence in the region to maintain regional peace and security, and to counter China's aggressiveness in the South China Sea if disputes worsen. Vietnam also recognizes the economic benefits that it could reap with the United States as part of the TPP. In addition, Vietnam is positive that the United States is able to counter China's rising economic power with the successful implementation of the TPP, which will increase multilateral trade within the trade bloc and enable Vietnam to reduce its economic reliance on China. The Vietnam case supports the second hypothesis that countries seeking a stronger U.S. role in the Asia-Pacific region are more likely to join, and remain committed, to the TPP.

5. Assessment of Both Hypotheses

The Vietnam case supports both hypotheses: it joined the TPP due to the strong support and lack of protectionist pressure from the government and domestic interest groups; Vietnam also made the decision to join the TPP as it perceives that the United States will take on larger security and economic roles in the region to bolster its presence and counter China's rising influence in Asia-Pacific. As Vietnam sought exceptions to the TPP provisions to take its relatively lower level of development into account, which shows that the government is still quite protectionist in at least the first five years of the implementation of the TPP, and with a greater perceived threat to its sovereignty from China in the South China Sea, Vietnam seems to support the second hypothesis more strongly than the first.

[158] Le, "The TPP's Impact on Vietnam: A Preliminary Assessment," 5.

D. MALAYSIA

This section examines Malaysia's position on trade and FTAs and its stance on the TPP, and shows that the evidence from the Malaysia case does not support the first hypothesis and only weakly supports the second.

1. Malaysia's Stance on Trade and FTAs

Malaysia has always been highly dependent on international trade and foreign investment, with its trade to GDP ratio of 128%.[159] It actively takes part in the multilateral trading system led by the WTO, which it hopes will continue to foster growth and development, protect developing countries' interests, and ensure that trade rules and regulations do not restrict fair trade.[160] To supplement Malaysia's participation in the WTO, Malaysia has also been involved in negotiating bilateral and regional FTAs to achieve more trade liberalization and operate in a fair global trading environment.[161] Malaysia hopes that FTAs, as part of its trade policy, would increase market access for Malaysian exports via preferential tariffs, raise the competitiveness of Malaysian businesses, and attract FDI in the country.[162]

To date, Malaysia has implemented seven bilateral FTAs and six regional FTAs.[163] Its bilateral FTAs are with Japan, Pakistan, New Zealand, India, Chile, Australia, and Turkey.[164] As part of ASEAN, Malaysia enjoys the benefits of AFTA, and

---

159 "Trade Policy Review: Report by Malaysia," World Trade Organization, March 31, 2014, 9, https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=123898,123743,123643,123644,121995,122030,100985,109385,106138,100718&CurrentCatalogueIdIndex=2&FullTextHash=&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True;

World Bank, "Trade (% of GDP)," accessed July 1, 2017, http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS.

160 "Trade Policy Review: Report by Malaysia," 9.

161 "Brief on the Trans-Pacific Partnership (TPP)," Malaysia Ministry of International Trade and Industry, 1, accessed July 9, 2017, http://www.miti.gov.my/miti/resources/fileupload/TPP%20-%20Briefing%20Notes%20-%20Website%20(FINALrev1).pdf.

162 "Brief on the Trans-Pacific Partnership (TPP)," 1.

"Trans-Pacific Partnership (TPP) FTA," Malaysia Ministry of International Trade and Industry, May 25, 2015, http://www.miti.gov.my/index.php/pages/view/2204.

163 "Brief on the Trans-Pacific Partnership (TPP)," 1.

164 Ibid.

it also has regional FTAs with other FTA partners such as China, Japan, Korea, India, and Australia and New Zealand. Malaysia is currently negotiating a Free Trade Area Economic Partnership with Europe, and as a regional institution, ASEAN is negotiating the RCEP as well as a regional FTA with Hong Kong.[165] While TPP negotiations have been concluded and the deal has been signed, Malaysia and other members have not ratified the agreement.

2. Malaysia's Stance on the TPP

Malaysia's position on the TPP has its background in its proposed U.S.-Malaysia FTA back in 2005. Both countries wanted a bilateral FTA to boost trade and investment; however, negotiations were stalled in early 2009 after eight rounds of talks.[166] This was because the Malaysian government was unable to meet some of the provisions expected by the United States; for example, due to their Bumiputera policies, which favor the ethnic Malay population in the name of socio-economic redistribution, the Malaysian state was unwilling to allow private and foreign businesses to bid for government procurement projects as these projects typically went to Malay-owned companies that enjoy special privileges and access to certain markets.[167] The ruling elite then also wanted to protect their agricultural and automotive industries.[168]

While Malaysia failed to seal a bilateral trade deal with the United States, it saw an opportunity to enhance its trade linkages with that country when the United States announced its decision to join the TPP in 2008.[169] Since 2009, after bilaterally consulting with the original eight TPP members individually, Malaysia has shown its readiness to

---

165 "Brief on the Trans-Pacific Partnership (TPP)," 1.

166 Ibid.;

"Trans-Pacific Partnership (TPP) FTA."

167 Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 67;

Shankaran Nambiar, "Obama Gets Down to Business in Malaysia," East Asia Forum, July 1, 2014, http://www.eastasiaforum.org/2014/05/23/obama-gets-down-to-business-in-malaysia/;

Cheng-Chwee Kuik, "Malaysia's US Policy under Najib: Structural and Domestic Sources of a Small State's Strategy," *Asian Security* 9 no. 3 (2013): 151.

168 Kuik, "Malaysia's US Policy under Najib," 151.

169 Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 67.

negotiate the agreed RTA scope. Meeting the members as a group during the third round of the TPP negotiations in Brunei on October 5, 2010, Malaysia was then unanimously accepted as a full negotiating partner and officially joined TPP negotiations.[170] Since then, Malaysia has gone through more rounds of negotiations before the trading bloc concluded its talks on October 5, 2015, and signed the deal on February 4, 2016.[171] Malaysia has successfully retained its Bumiputera policies, obtained a five-year grace period to embark on SOE reform, and gained exemption for Khazanah, a Malaysian sovereign wealth fund, from investor-state dispute settlement (ISDS) provisions for two years after implementing the TPP.[172]

1. First Hypothesis for Why Malaysia Joined the TPP: Countries with Lower Support for Protectionism Are More Likely to Join the TPP

Politically sensitive issues facing the Malaysian government in the TPP negotiations are similar to the ones encountered during the U.S.-Malaysia bilateral FTA talks. These sensitive issues, primarily government procurement, SOE reform, and intellectual property provisions, reflect moderate protectionist pressures from both interest groups and the Malaysian government to preserve Bumiputera interests and policies. Despite moderate protectionism from both quarters, Malaysia joined the TPP and has not yielded to these pressures to withdraw itself from the trade deal.

a. Degree of Political Strength of Domestic Protectionist Interest Groups

Non-governmental organizations (NGO), Bantah TPPA, opposition parties, former Prime Minister Mahathir Mohamad, United Malay National Organization (UMNO) members from conservative factions, and many Malay-dominated businesses

---

170 "Brief on the Trans-Pacific Partnership (TPP)," 2.

"Trans-Pacific Partnership (TPP) FTA";

Kuik, "Malaysia's US Policy under Najib," 151, 156.

171 "Trans-Pacific Partnership (TPP) FTA."

172 Shankaran Nambiar, "Is the TPP Really a Leap Forward for Malaysia?" East Asia Forum, February 13, 2016, http://www.eastasiaforum.org/2016/02/13/is-the-tpp-really-a-leap-forward-for-malaysia/.

have voiced their opposition to the TPP. Their key concerns are in the areas of government procurement, foreign competition to SMEs, ISDS, and intellectual property.

Government procurement is a delicate issue because the Malaysian government has been doling out government procurement projects to SOEs and Malay-owned companies in accordance with its Bumiputera policy since the New Economic Policy (NEP) spearheaded by Mahathir Mohamad in the late 1970s.[173] Under the TPP government procurement provision, private and foreign companies would be liberalized to operate on a level playing field, which would greatly threaten the businesses of existing SOEs and Malay-dominated firms.[174] Mahathir has vehemently opposed the TPP because he feels that the introduction of American and other foreign companies would undo the socio-economic redistribution under the NEP.[175] He also warned that Malaysia would lose out as the United States would use the TPP to protect and enable American companies to access other TPP members' government procurement, which would be tantamount to the United States "politically and economically re-colonizing" Malaysia.[176] Perkasa is a pro-Bumiputera NGO that is also opposed to the TPP, especially in the government procurement aspect, as this would threaten both SOEs and Bumiputera businessmen.[177]

NGOs, such as the Malay Economic Action Council, are worried that joining the TPP would subject local SMEs to greater competition from foreign firms and put them at a disadvantage when their businesses would not receive Malay privileges.[178] Another NGO, the Malay Chamber of Commerce, feels that majority of the Bumiputera businesses are not ready or equipped to compete with multinational corporations, and that

---

[173] Nambiar, "Obama Gets Down to Business in Malaysia."

[174] Nambiar, "Obama Gets Down to Business in Malaysia."

[175] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 92;

Kazi Mahmood, "TPP Pact Sparks Fears among M'sian NGOs, Malay Community," *Malaysian Reserve*, May 2, 2013, retrieved from LexisNexis.

[176] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 92;

Mahmood, "TPP Pact Sparks Fears among M'sian NGOs, Malay Community."

[177] Nambiar, "Obama Gets Down to Business in Malaysia."

[178] Kuik, "Malaysia's US Policy under Najib," 156;

Mahmood, "TPP Pact Sparks Fears among M'sian NGOs, Malay Community."

there seems to be inequality in this respect.[179] By contrast, the U.S.-Malaysian FTA Business coalition, Federation of Malaysian Manufacturers, and Malaysian Textile Manufacturers Association have shown their support for the deal as the SME provision would facilitate these export-oriented groups to operate their businesses in the United States and other TPP nations.[180]

Another aspect that faces resistance from domestic interest groups is the ISDS, a mechanism that allows foreign firms to turn to international arbitration to settle disputes directly with the state.[181] NGOs are concerned that this provision would threaten the government's sovereign rights to regulate within the country, which may affect laws applied to local firms.[182]

Some NGOs, such as the Malaysian AIDS Council, Malaysian Treatment Access and Advocacy Group, and Muslim Consumers Association of Malaysia, are concerned that the intellectual property provision in the TPP would result in higher prices of medicine and treatment.[183] Their criticism stems from the data exclusivity clause in this provision that allows foreign companies to extend their patent duration, which would negatively affect the affordability of generic medicine and drugs. Opposition parties such as the PKR and various NGOs took to the street to protest Malaysia's participation in the TPP as consumers would have to bear the brunt of increased prices of medication and drugs while foreign companies' intellectual property would be protected under the TPP.[184]

---

[179] Mahmood, "TPP Pact Sparks Fears among M'sian NGOs, Malay Community."

[180] Alice Hunter, "11 Things Malaysians Should Know about The Trans-Pacific Partnership," Businesscircle.com.my, May 27, 2014, http://www.teraju.gov.my/wp-content/uploads/2014/05/TERAJU20140527-businesscircle.com_.my-11-Things-Malaysians-Should-Know-About-The-Trans-Pacific-Partnership-TPP-Negotiations.pdf;

Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 83.

[181] "Brief on the Trans-Pacific Partnership (TPP)," 7.

[182] Hunter, "11 Things Malaysians Should Know about The Trans-Pacific Partnership."

[183] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 90;

"Brief on the Trans-Pacific Partnership (TPP)," 5;

Mahmood, "TPP Pact Sparks Fears among M'sian NGOs, Malay Community."

[184] "Malaysians Say Trade Deal 'Suspicious'," *Nation*, January 24, 2016, retrieved from LexisNexis.

a. Degree of Political Will of Government to Reduce Protectionism

Prime Minister Najib Razak is a strong proponent of trade liberalization and is keenly aware that joining the TPP is an opportunity to lock in domestic economic reforms that Malaysia desperately needs to increase its competitiveness, reduce protectionism, and boost longer-term economic growth.[185] Prime Minister Najib also deems the TPP, which emphasizes private-led economic development, as consistent with his New Economic Model (NEM) rolled out in 2010 and the Economic Transformation Programme (ETP).[186] As sustaining economic growth is one of the ways to legitimize the Barisan Nasional's rule in Malaysia, Prime Minister Najib is using TPP membership as one of his tools to prop the economy while securing his and his party's political power.[187] At the same time, the prime minister faces immense pressure from the opposition and UMNO conservatives to withdraw from the TPP as some of them might lose their preferential Bumiputera treatment through intense competition with multinational corporations and private enterprises, particularly in the areas of government procurement and SOEs.[188]

The Malaysian Ministry of International Trade and Industry (MITI) is the main representative in TPP discussions and consultation with domestic stakeholders.[189] It views the TPP as instrumental in providing a more liberalized trading environment that would be in line with supporting Prime Minister Najib's ETP, and further sees the TPP as

---

[185] Ernest Z. Bower, "Getting Malaysia Right: Presidential Prerogative," Center for Strategic and International Studies, March 6, 2014, https://www.csis.org/analysis/getting-malaysia-right-presidential-prerogative.

[186] Murray Hiebert, "Crises Might Spare Najib, but Will Hobble Malaysia's International Engagement," Center for Strategic and International Studies, September 3, 2015, https://www.csis.org/analysis/crises-might-spare-najib-will-hobble-malaysia%E2%80%99s-international-engagement;

Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 86.

[187] Kuik "Malaysia's US Policy under Najib," 147.

[188] Bower, "Getting Malaysia Right: Presidential Prerogative."

Shankaran Nambiar, "The TPP: Najib Razak's Gordian Knot," *New Mandala*, July 1, 2014, http://www.newmandala.org/the-tpp-najib-razaks-gordian-knot/.

[189] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 84.

a way to lock in domestic economic reforms.[190] MITI has been a key player in pushing for Malaysia's membership in the TPP. While MITI strongly advocates free and fair trade through such trade agreements, it has also consulted relevant stakeholders such as affected business groups and NGOs. In the area of ISDS, MITI has assured NGOs that this TPP provision does not violate Malaysia's sovereignty or restrict the Malaysian government from formulating and implementing its own business laws and policies, but rather serves as an avenue for foreign investors to seek international arbitration in the event of a dispute.[191] To address SMEs' concerns of foreign competition, MITI has communicated that Malaysia SMEs would be given longer transition periods for liberalization and has managed to gain carve-outs of government procurement activities.[192]

While there are a few ministries such as the Ministry of Health, which shares the same concerns as some NGOs on the impact of the intellectual property provision on the affordability of medicine, and the Ministry of Agriculture, which is concerned about rice imports from other TPP members, they wield little political influence as compared to MITI. At the conclusion of the TPP deal, Malaysia, led by MITI, was able to join TPP while leaving its Bumiputera policies untouched, delaying SOE reform by at least five years, and exempting Khazanah from ISDS provisions for two years post-TPP implementation.[193]

b. Assessment of First Hypothesis in the Case of Malaysia

MITI consulted with selected stakeholders and took some of the non-state interest groups' concerns into account, especially sensitive ones such as government procurement and Bumiputera policies, when negotiating for exclusions from some TPP provisions. These protectionist interest groups are assessed to possess moderate political influence on the government, as Prime Minister Najib and the Malaysian government have been

190 Ibid., 85.

191 "Brief on the Trans-Pacific Partnership (TPP)," 7.

192 Ibid., 8.

193 Nambiar, "Is the TPP Really a Leap Forward for Malaysia?"

unwilling to budge on these sensitive issues so as to continue garnering political support from UMNO conservatives and the Bumiputera businessmen.

Despite these protectionist pressures from interest groups and the Malaysian government's unwillingness to fully meet the government procurement and SOE provisions, these pressures were not sufficient to hinder the Malaysian government from joining the TPP. While accepting that Malaysia still has some way to go in terms of economic efficiency and liberalization with such TPP exclusions in exchange for continued political support, Prime Minister Najib recognizes that Malaysia's TPP participation is imperative to kick-start some difficult domestic economic reforms to reduce protectionism and improve competitiveness in order to contribute to the country's economic growth and development.[194] In addition, both Prime Minister Najib and MITI prioritized potential economic gains from the deal, such as greater and improved access to huge markets in the United States and Canada, attracting more U.S. FDI, enjoying economies of scale, and being an important part of the regional supply chain.[195] Based on Plummer and Petri's 2016 estimates, Malaysia is expected to enjoy substantial gains, such as experiencing annual income gains of US$52 billion and an increase in exports by US$99 billion by 2030.[196] Therefore, Malaysia's participation in the TPP, in spite of moderate protectionism from state and non-state actors, offers a challenge to the first hypothesis that higher levels of support for protectionism would likely deter Southeast Asian countries from joining the TPP.

2. Second Hypothesis for Why Malaysia Joined the TPP: Countries Supporting a Stronger U.S. Role in the Asia-Pacific Are More Likely to Join the TPP

Many smaller countries in Southeast Asia, including Malaysia, employ the hedging strategy when it comes to the geo-political rivalry between the superpowers, the

---

[194] Nambiar, "Is the TPP Really a Leap Forward for Malaysia?"

[195] Cassey Lee, "Why Is Malaysia So Interested in Joining the TPP?" *Institute of Southeast Asian Studies Perspective* no. 14 (March 9, 2015): 3;

"Brief on the Trans-Pacific Partnership (TPP)," 4.

[196] Petri and Plummer, "The Economic Effects of the Trans-Pacific Partnership: New Estimates," 20, 21.

United States and China. This hedging strategy means that countries maintain a balanced relationship between both regional powers, but do not align too closely with either of them, as they cannot afford to be entrapped in the major power competition. Malaysia's initial acceptance as a TPP negotiating member in 2010 happened slightly before Obama announced his rebalance policy in 2011 and before China's incursion into the disputed maritime area in 2013, so Malaysia's desire for a greater U.S. security presence could not have motivated Malaysia to join the TPP at that point in time. Thereafter, Malaysia reaffirmed its TPP participation in spite of domestic opposition to the TPP as it wants the United States to play a bigger role in the security dimension, especially in the disputed territories in the South China Sea.

a. View of the U.S. Security Role in the Asia-Pacific

The implication of the United States joining the TPP is that country would have significant vested economic interests in maintaining security and peace in the region, and the United States would play a larger security role in the Asia-Pacific to act as a balance against the rising power China.[197] As Washington's promotion of the TPP was a signal that the United States would be more involved in the security realm, smaller states such as Malaysia would be less fearful of joining this trading bloc, and more assured of its security vis-à-vis China.[198] China has become increasingly aggressive in the region, especially pertaining to alleged sovereignty in the South China Sea. On September 4, 2013, a Chinese Coast Guard vessel anchored near South Luconia Shoal, which is just 84 nautical miles off the coast of Sarawak, and is one of the disputed areas between Malaysia and China.[199] This incursion threatened Malaysia's economic and energy security, as this area of the South China Sea lies within Malaysia's Exclusive Economic Zone (EEZ) and holds significant oil and gas reserves.[200]

---

[197] Hasegawa, "Close Economic Exchange with a Threatening State: An Awkward Dilemma over China," 10.

[198] Ibid.

[199] Prashanth Parameswaran, "Malaysia Slam China's South China Sea Encroachments," *Diplomat*, November 17, 2015, http://thediplomat.com/2015/11/malaysia-slams-chinas-south-china-sea-encroachments/.

[200] Ibid.

Although Malaysia has generally remained neutral in its relationship to both powers, Prime Minister Najib has been observed to lean ever so slightly toward the United States. Through the U.S. rebalance to the region mainly via the TPP, Malaysia has been relying on U.S. greater influence, in light of China's growing assertiveness and encroachment into Malaysia's claimed territorial waters.[201] While joining the TPP would bring apparent economic rewards to Malaysia, China's incursion into the disputed maritime area and the U.S. pivot to the region possibly served as an impetus for Prime Minister Najib to reinforce his country's commitment to the TPP during his April 2014 visit to the United States.[202] Malaysia is more likely to want the United States to play a bigger security role through the rebalance, and has reaffirmed Malaysia's participation in the TPP to move closer to the United States in the hopes of strengthening its security against China.[203] Even so, Malaysia's move towards the United States is very subtle, and this can be observed when Malaysia's response to China's encroachment into its disputed area is weaker and more muted as compared to that of Vietnam or the Philippines.[204]

b. View of the U.S. Economic Role in the Asia-Pacific

Malaysia also applies its hedging strategy on the economic front between the two major powers. Given the U.S. pivot to the Asia-Pacific region under the Obama administration, the Malaysian government, through the TPP, aimed to maximize economic benefits from increased U.S. engagement in the region.[205] While Prime Minister Najib sought for Malaysia's entry into the TPP to bolster his NEM and ETP, he also sought to fulfill the economic need to increase Malaysia-U.S. bilateral trade and inflow of American capital and technology into the country. At the same time, Malaysia also values its economic ties with China by taking part in China-led economic initiatives

---

[201] Kuik "Malaysia's US Policy under Najib," 152, 159;

Burgess, "Rising Bipolarity in the South China Sea," 133.

[202] Kuik "Malaysia's US Policy under Najib," 155.

[203] Burgess, "Rising Bipolarity in the South China Sea," 128.

[204] Ralph Jennings, "Why Malaysia Stays Quiet about Its Claims in the South China Sea," *Forbes*, June 2, 2015, http://www.forbes.com/sites/ralphjennings/2016/06/02/why-malaysia-stays-quiet-about-its-claims-in-the-disputed-south-china-sea/#653152e61beb.

[205] Kuik "Malaysia's US Policy under Najib," 152.

such as the AIIB and expressing interest in China's One Belt One Road program.[206] China is Malaysia's largest trading partner and source of FDI, and Malaysia has even relied on China's SOE to bail out 1Malaysia Development Berhad, its debt-ridden sovereign wealth fund.[207]

Malaysia relies on strong economic relations with both China and the United States to boost its economic growth, as this economic support is deemed crucial for Prime Minister Najib and the ruling Barisan Nasional's political legitimacy.[208] Given this delicate balancing act between the two superpowers, it is unlikely that Malaysia would join the TPP solely in the hope that the United States would reduce China's economic clout, as Malaysia would be unwilling to sacrifice economic benefits that can be reaped from both economic partners. Malaysia is less likely to want the United States to take on a greater economic role in the region relative to China.

c. Assessment of Second Hypothesis in the Case of Malaysia

Through joining the TPP, Malaysia has shifted its position a little closer to the United States as it desires that country to play a larger security role in the region, in the hopes of mitigating China's assertiveness in the South China Sea somewhat. In the economic realm, Malaysia is not likely to want the United States to possess a bigger economic role in the region and exert greater economic influence, as Malaysia relies on both countries to sustain its economic growth, which preserves the ruling party's political legitimacy and power. As Malaysia strongly hedges between both countries in its broad foreign policy, and as Malaysia was accepted as a TPP member in 2010 (both before the Obama administration's deliberate re-engagement with the region through the pivot and before China's incursion in the disputed area in 2013), Malaysia's desire for a greater U.S. security presence then could not have motivated it to join the TPP. The evidence

---

[206] Rashaad Ali, "TPP and Malaysia: New Reality, Missed Opportunity," *S. Rajaratnam School of International Studies Commentary* no. 292 (December 1, 2016);

Kuik "Malaysia's US Policy under Najib," 144, 154–155.

[207] Kuik, "Malaysia's Balancing Act," *New York Times*, December 6, 2015, http://www.nytimes.com/2015/12/07/opinion/malaysias-balancing-act.html?_r=0.

[208] Kuik, "The Essence of Hedging: Malaysia and Singapore's Response to a Rising China," *Contemporary Southeast Asia* 30, no. 2 (August 2008): 172.

weakly supports the second hypothesis that countries supporting a stronger U.S. role in the Asia-Pacific are more likely to join the TPP.

3. Assessment of Both Hypotheses

The Malaysia case does not support the first hypothesis: Despite interest groups protesting against the TPP because of concerns against the government procurement, SMEs, ISDS, and intellectual property provisions, Prime Minister Najib and the Malaysian government joined the TPP to unlock economic benefits from the trade deal, as well as to lock in domestic economic reforms in Malaysia. Malaysia joined the TPP but does not want the United States to play an overall bigger role in the region, especially not in the economic realm as it relies on both the United States and China for its economic growth. As Malaysia does desire the United States to take on a larger security role to counter China's increasing assertiveness through the TPP, the evidence weakly supports the second hypothesis.

E. CONCLUSION

This chapter has examined why Singapore, Vietnam, and Malaysia decided to join the TPP. Singapore has been a strong proponent of the TPP as this trade-dependent nation favors trade liberalization for its economic survival and has virtually no protectionist pressure from the government or non-state groups. It also expects the United States to be more closely tied to the region, both in the security and economic realms, and has outwardly called for the United States to remain committed to the TPP. Singapore perceives that it would stand to gain more from the increased U.S. presence in maintaining stability in the region, relative to economic benefits from the trade deal.

Vietnam joined the TPP as both the VCP and the public recognize that the TPP is essential in boosting Vietnam's economy through further integration into the global economy and domestic economic reforms. The TPP requires these reforms in order for countries to meet its high standards, although the VCP government has displayed some form of short-term protectionism by negotiating for exceptions to the SOE and 'yarn forward rules of origin' provisions. Vietnam also remains committed to the TPP as it views the United States as playing a greater role, especially in the security arena, by

establishing its military presence that could mitigate China's implied threat to Vietnam's sovereignty in the South China Sea. Vietnam also perceives that the United States would counter China's rising economic influence in the region, which would reduce Vietnam's economic reliance on China.

Malaysia joined the TPP as Prime Minister Najib is a firm advocate of trade liberalization and wants to use his country's TPP participation to facilitate his NEM and ETP initiatives to propel the Malaysian economy forward to becoming a high-income nation by 2020. This is despite the moderate level of protectionist pressure from interest groups concerned about increased foreign competition resulting from the TPP and impacting Bumiputera interests, SOEs, and SMEs.

On balance, the evidence from Singapore and Vietnam support the first hypothesis that countries with lower levels of support for protectionism are more likely to join the TPP, while evidence from Malaysia does not. Evidence from these three country cases more strongly support the second hypothesis that countries that desire the United States to play a bigger role in the Asia-Pacific are more likely to join the TPP, with evidence from Singapore and Vietnam showing that this is the case, while evidence from Malaysia weakly supports this hypothesis.

THIS PAGE INTENTIONALLY LEFT BLANK

III. SOUTHEAST ASIAN COUNTRIES NOT PARTICIPATING IN THE TPP

A. INTRODUCTION

This chapter explores why Indonesia, the Philippines, and Thailand are reluctant to participate in the TPP. These countries did not join the TPP despite their economies' varying levels of dependence on trade, as shown in Table 2.

Table 2. Trade-to-GDP ratios of Southeast Asian countries that did not join the TPP. Adapted from The World Bank at http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS.

Southeast Asian country that did not join the TPP	Trade-to-GDP ratio (2016)
Indonesia	37%
The Philippines	65%
Thailand	123%

Two main reasons could explain why these Southeast Asian nations are hesitant to join the TPP. First, as noted previously, countries with higher levels of support for protectionism are less likely to join the TPP. In such cases, domestic protectionist interest groups tend to possess greater political strength in lobbying against their governments joining the TPP. Furthermore, the government or leader of the country might possess little political will to utilize TPP participation to embark on or speed up domestic economic reforms to reduce protectionism. The World Integrated Trade Solutions simulation model has estimated that, for both Indonesia and Thailand, joining the TPP would likely result in a worse trade balance as compared to not participating in the TPP, which might reinforce the government's will to maintain the protectionism.

Table 3. World Integrated Trade Solutions simulation model estimates

Trade balance with TPP member nation	Stay out of the TPP	Join the TPP
Indonesia[a]	Surplus of US$2 billion	Deficit of US$ 19 million
Thailand[b]	Surplus of US$8 billion	Surplus of US$ 6.5 billion

[a]Pritish Kumar Sahu, "Insight: Trans-Pacific Partnership: Should Indonesia Join It or Not?" *Jakarta Post*, February 18, 2016, http://www.thejakartapost.com/news/2016/02/18/insight-trans-pacific-partnership-should-indonesia-join-it-or-not.html.

[b]Pritish Kumar Sahu, "The Many Hidden Costs of Joining the TPP," *Bangkok Post*, June 1, 2016, http://www.bangkokpost.com/archive/the-many-hidden-costs-of-joining-the-tpp/996929.

Second, countries not supporting a stronger U.S. role in the Asia-Pacific are less likely to join the TPP. Countries adopting this stance may fear U.S. military presence would antagonize China and lead to a possible superpower rivalry. The second motivator may be that these countries do not want the United States to assume a larger economic role in the region as this would overshadow the regional leadership role that they expect and want ASEAN to play in the economic realm.

As in the previous chapter, for each country analysis, I look at each nation's general stance on trade and FTAs and view of the TPP, and examine the reasons for Indonesia, the Philippines, and Thailand's reluctance to join the TPP. This examination is based on two hypotheses: Countries with higher levels of support for protectionism are less likely to join the TPP; and countries that do not support a greater U.S. role in the Asia-Pacific are less likely to take part in the TPP. This chapter shows that the evidence gathered from the Indonesia and Thailand cases supports both hypotheses, while evidence from the Philippines case only partially supports both hypotheses.

B. INDONESIA

This case study on Indonesia will cover its general stance towards trade and FTAs, its position on TPP, and show that the evidence supports both hypotheses on its reluctance to join the TPP.

1. Indonesia's Stance on Trade and FTAs

As the largest economy in Southeast Asia, Indonesia focuses and relies more on its huge domestic market for its economic growth, and depends less so on exports as compared to other countries such as the Philippines or Thailand.. This is shown by one of the lowest trade-to-GDP ratios of 37% in Southeast Asia.[209] It is a member of the WTO, and has participated in the multilateral trading system within the WTO framework since it first joined in 1995.[210] As part of its Masterplan for Acceleration and Expansion of Indonesia's Economic Development, Indonesia has been relying on economic integration, through the ASEAN-China FTA (ACFTA) and planned ASEAN Economic Community, to raise its competitiveness.[211]

Indonesia has become more active in pursuing FTAs in recent years. Aside from participating in RTAs with China, Japan, Korea, India, and Australia and New Zealand as part of ASEAN, Indonesia has two bilateral FTAs—the Indonesia-Japan Economic Partnership Agreement signed in 2007 and Pakistan-Indonesia FTA signed in 2013.[212] Indonesia also signed a TIFA with the United States in 1996.[213] Indonesia is also currently in FTA negotiations with the United States, India, Iran, Chile, Turkey, Tunisia, Egypt, Australia, and South Korea.[214] For regional trade agreements, Indonesia

---

[209] World Bank, "Trade (% of GDP)," accessed July 1, 2017, http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS.

[210] World Trade Organization, "Trade Policy Review: Report by the Secretariat, Indonesia," July 16, 2013, 21, https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=119017,118153&CurrentCatalogueIdIndex=1&FullTextHash=&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True;

World Trade Organization, "Trade Policy Review: Report by Indonesia," March 6, 2013, 9, https://www.wto.org/english/tratop_e/tpr_e/g278_e.pdf.

[211] Dezan Shira & Associates, "Masterplan Acceleration and Expansion of Indonesia Economic Development 2011-2025," ASEAN Briefing, 2011, http://www.aseanbriefing.com/userfiles/resources-pdfs/Indonesia/FDI/ASEAN_Indonesia_Master%20Plan%20Acceleration%20and%20Expansion%20of%20Indonesia%20Economic%20Development%202011-2025.pdf.

[212] World Trade Organization, "Trade Policy Review: Report by Indonesia," 11;

"Pakistan-Indonesia Free Trade Agreement," Asia Regional Integration Centre, last accessed July 1, 2017, https://aric.adb.org/fta/pakistan-indonesia-free-trade-agreement.

[213] "Indonesia – Trade Agreements," export.gov, August 1, 2017, https://www.export.gov/article?id=Indonesia-Trade-Agreements.

[214] World Trade Organization, "Trade Policy Review: Report by Indonesia," 11;

prioritizes RCEP negotiations, while also seeking to conclude negotiations with the EU to form the Indonesia-EU CEPA, and with Iceland, Liechtenstein, Switzerland, and Norway to form the Indonesia-EFTA Comprehensive Economic Partnership Agreement (IE-CEPA).[215]

2. Indonesia's Stance on the TPP

Indonesia has been hesitant to join the TPP.[216] Given its past inclination to rely on its domestic market and the recent shift in mindset toward openness and economic integration, this has resulted in Indonesia's ambivalence toward the TPP.[217] During the era of former President Susilo Bambang Yudhoyono (SBY), Indonesia showed little interest in participating in the TPP and declared in 2011 that it would not join the trade pact as Indonesia had not conducted rigorous evaluation of the TPP's impact on the country's trade, investment, and employment.[218] Former Trade Minister Gita Wirjawan echoed SBY's sentiment, stating that the country was not economically ready and competitive to do so.[219] In 2013, toward the end of SBY's presidency, the Indonesian government shifted its stance and expressed interest in joining TPP negotiations, but made joining conditional on successful RCEP and Indonesia-South Korea FTA negotiations.[220]

"Indonesia and the TPP, a Losing Game?" Edelman, accessed August 1, 2017, https://www.edelman.id/TPP/?p=93.

[215] World Trade Organization, "Trade Policy Review: Report by Indonesia," 11;

"Indonesia and the TPP, a Losing Game?";

"Indonesia & Free Trade Agreements: Indonesia-EU CEPA, TPP & EFTA," Indonesia-Investments, February 10, 2016, https://www.indonesia-investments.com/news/news-columns/indonesia-free-trade-agreements-indonesia-eu-cepa-tpp-efta/item6484.

[216] Yose Rizal Damuri, "Trade Policy in Swing: Indonesia's Attitude to Liberalization and the TPP," East Asia Forum, March 19, 2014, http://www.eastasiaforum.org/2014/03/19/trade-policy-in-swing-indonesias-attitude-to-liberalisation-and-the-tpp/.

[217] Damuri, "Trade Policy in Swing."

[218] "Indonesia Not in a Hurry to Join TPP: President," Antaranews.com, November 19, 2011, http://www.antaranews.com/en/news/77762/indonesia-not-in-a-hurry-to-join-tpp-president.

[219] Ibid.

[220] "US-ASEAN Businessmen Lobby Indonesia on TPP," *Jakarta Post*, June 25, 2013, http://www.thejakartapost.com/news/2013/06/25/us-asean-businessmen-lobby-indonesia-tpp.html.

The current President Joko Widodo, also known as Jokowi, prioritized pursuing economic diplomacy for his country's economic and social development.[221] In October 2015, Jokowi declared at a meeting with former U.S. President Barack Obama that Indonesia intended to join the TPP to help his country reach its full economic potential by increasing business efficiency and product quality.[222] Indonesia formed a special committee in February 2016 to study the effects of joining the TPP, and the government is looking into law reforms to adhere to TPP standards.[223] Former Trade Minister Thomas Lembong said in 2016 that Indonesia would join the TPP after two years of preparations.[224] While these may seem like a positive step toward joining the trade pact, Jokowi still seems to be torn between Indonesia having greater access to larger markets and other TPP members having access to Indonesia's huge market, which might affect its trade balance with these countries.[225]

3. First Hypothesis for Indonesia's Reluctance to Join the TPP: Countries with More Support for Protectionism Are Less Likely to Join the TPP

During the SBY presidency, both the government and domestic interest groups showed a high level of support for protectionism, which contributed to Indonesia's reluctance to join the TPP. Even though president Jokowi has declared his intention for

---

221 Donald E. Weatherbee, "Understanding Jokowi's Foreign Policy," *Institute of Southeast Asian Studies Trends in Southeast Asia*, no. 12 (2016): 41.

222 "Indonesia Will Join Trans-Pacific Partnership, Jokowi Tells Obama," *Guardian*, October 26, 2015, https://www.theguardian.com/world/2015/oct/27/indonesia-will-join-trans-pacific-partnership-jokowi-tells-obama;

Devina Heriyanto, "Q&A: Trans Pacific Partnership," *Jakarta Post*, May 11 2016, http://www.thejakartapost.com/academia/2016/05/11/qa-trans-pacific-partnership.html.

223 Indonesia Investments, "Indonesia & Free Trade Agreements: Indonesia-EU CEPA, TPP & EFTA";

"Trans-Pacific Partnership: Should Indonesia Join or Not?" Indonesia-Investments, November 4, 2015, https://www.indonesia-investments.com/news/todays-headlines/trans-pacific-partnership-should-indonesia-join-or-not/item6122?.

Antony Crockett, "Could Indonesia Join the TPP?" *Kluwer Arbitration Blog*, February 23 2016, http://kluwerarbitrationblog.com/2016/02/23/could-indonesia-join-the-tpp/.

224 Heriyanto, "Q&A: Trans Pacific Partnership."

225 Muhammad Zulfikar Rakhmat, "To TPP or Not to TPP – That Is Jokowi's Question," *New Mandala*, March 1, 2016, http://www.newmandala.org/to-tpp-or-not-to-tpp-that-is-jokowis-question/.

Indonesia to join the TPP for the country's economic growth and development, the unclear costs and benefits would make it challenging for him to garner the necessary political support for joining the trade pact.

a. Degree of Political Strength of Domestic Protectionist Interest Groups

Many interest groups, such as Indonesia's business groups and NGOs, have voiced their opposition to the TPP. This is in contrast to a small number of groups, such as the Indonesian Textile Association, that are supportive of the country joining the TPP.

Domestic business groups have resisted Indonesia's FTAs, especially the TPP, on the basis of relatively lower competitiveness as compared to other TPP members. They are concerned about the negative impact of the TPP on two fronts: cheaper imports would enter the Indonesian market more easily, crowd out less competitive domestic products, and possibly disrupt the domestic manufacturing industry; and Indonesian manufactured exports to other TPP trading nations would also face intense competition from foreign goods.[226] Joining the TPP would require trade liberalization and massive restructuring of Indonesia's business regulations. This would disadvantage inefficient and anti-competitive domestic enterprises, impede their domestic recovery, and explain their inherent protectionism, as some of them are still reeling from the negative effects of the Asian Financial Crisis.[227] They prefer the RCEP over TPP as RCEP allows for greater flexibility and takes into account different levels of economic development.[228] These groups have couched the protection of their domestic sectors as economic nationalism, and it has been observed that both Jokowi and Gerindra Chairman and former presidential contender Prabowo Subianto declared that they would preserve Indonesian

---

226 Ranitya Kumsumadewi, "Weighing Costs and Benefits of Joining TPP for Indonesia," *Conversation*, March 6, 2016, https://theconversation.com/weighing-the-costs-and-benefits-of-joining-tpp-for-indonesia-54376;

Indonesia Investments, "Indonesia & Free Trade Agreements: Indonesia-EU CEPA, TPP & EFTA."

227 Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 159–160;

Weatherbee, "Understanding Jokowi's Foreign Policy," 44.

228 Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 162.

economic independence to garner their respective political support during the Indonesian presidential election held in 2014.[229]

A few NGOs have also voiced their opposition to Indonesia's intent to join the TPP. Third World Network in Jakarta, an international network of organizations that aims to understand challenges facing developing countries and contribute to the country's policy changes, does not agree that liberalizing government procurement projects and opening them up to foreign companies would reduce corruption; in fact, the foreign enterprises would take over bribery of the state from local companies in order to secure those government procurement tenders.[230] Third World Network also shares the same concern with domestic business groups that Indonesian SMEs would struggle to keep afloat in the domestic market, and they have little experience in entering foreign markets.[231] In addition, Third World Network warned that the ISDS provision would allow multinational corporations to challenge government policies on local employment and in turn undermine the sovereignty of the Indonesian state.[232] Indonesia for Global Justice also highlighted that the TPP only benefits large corporations that would enter the Indonesian market and limit the state's ability to implement policies in the interest of the local population, primarily due to the ISDS provision.[233]

Although the Indonesian Textile Association is one of the few parties that will benefit from Indonesia's TPP participation through lower tariffs imposed on Indonesian textiles, its benefits would be limited because of the "yarn-forward" rule of origin clause that mandates that raw materials used in textiles originate from TPP countries only, which implies that textile producers would have to switch from lower-cost materials from

---

[229] Richard Robison and Vedi R. Hadiz, "Indonesia: A Tale of Misplaced Expectations," *Pacific Review* (April 10, 2017): 7, doi: 10.1080/09512748.2017.1306578.

[230] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 157;

Third World Network, "Introduction," accessed August 1, 2017, https://www.twn.my/twnintro.htm.

[231] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 157.

[232] Ayomi Amindoni, "TPP Does Not Protect National Interests: NGO," *Jakarta Post*, November 20, 2015, http://www.thejakartapost.com/news/2015/11/20/tpp-does-not-protect-national-interests-ngo.html.

[233] Ibid.

China to higher priced ones from TPP nations.[234] The overwhelming dissatisfaction with the TPP from these domestic protectionist non-state interest groups has exerted a moderate level of influence over the Indonesian government. This influence is reflected in the government's reluctance to join this mega-regional trade agreement, which entails huge economic restructuring and reforms to promote adherence to its various contentious terms.

b. Degree of Political Will of Government to Maintain Protectionism

SBY did not want Indonesia to join the TPP because he prioritized ASEAN-centered trade agreements, such as the upcoming ASEAN Economic Community and being involved in RCEP negotiations.[235] While ASEAN was the main priority for Indonesia, another reason for SBY's reluctance to participate in TPP talks was the doubling of Indonesia's trade deficit with China that resulted within a year of implementing the ACFTA.[236] In addition, SBY felt that Indonesia was not ready to join such a high-standard RTA, and that Indonesia would lose out from lower export competitiveness and greater inflow of cheaper foreign goods, as the TPP would not cater to different economic development levels of the various countries.[237]

Other government officials and lawmakers have expressed immense reluctance for the country to join the TPP because they believe that Indonesia needs to improve its competitiveness first, by addressing inadequate and low-quality infrastructure problems, before further opening the economy up and facilitating local producers to expand into overseas markets.[238] They end up in a vicious cycle where protective state intervention and a continual reliance on the large domestic market can appear to tackle market failure,

---

[234] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 156;

Heriyanto, "Q&A: Trans Pacific Partnership."

[235] "Trans-Pacific Partnership: Should Indonesia Join or Not?"

[236] Ibid;

Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 155.

[237] Jakarta Globe, "Yudhoyono to Joko: Don't Force Indonesia to Enter TPP," *Today*, October 31, 2015, http://www.todayonline.com/world/asia/yudhoyono-joko-dont-force-indonesia-enter-tpp.

[238] Damuri, "Trade Policy in Swing."

while actually allowing some Indonesian elites to hold onto monopolies of wealth.[239] Local producers would continue to be dependent on state protection and would speak out against economic reforms and restructuring required for TPP admission that might threaten their businesses.[240] Gerindra Chairman Prabowo and Megawati Sukarnoputri, the Indonesian Democratic Party of Struggle Chairman, shared similar sentiments that inadequate infrastructure and poor education, welfare, and legal systems would put Indonesia at a disadvantage relative to other TPP partners.[241]

The main change required for Indonesia's accession to the TPP would be for the country to privatize SOEs to adhere to the TPP provision concerning SOEs. The Indonesian government has for a long time relied on SOEs to boost economic growth and they are a symbol of economic nationalism.[242] The chairman of House Commission VI Achmad Hafisz Tohir has explained that privatizing SOEs would go against one of the constitution's articles that the state has to manage production entities that are vital and affect people's lives.[243] What further contributes to SOE-linked personalities' opposition to the TPP is that they would lose the legal and economic privileges usually accorded to SOEs as compared to private firms.[244] To secure their rent-seeking interests through SOEs or other private firms, some powerful political and business figures would exert political strength to block the country's bid for the TPP, as the introduction of foreign competition and freer trade in Indonesia would render these SOEs and private enterprises

---

[239] Ibid;

Robison and Hadiz, "Indonesia: A tale of Misplaced Expectations," 3.

[240] Prashanth Parameswaran, "Between Aspiration and Reality: Indonesian Foreign Policy after the 2014 Elections," *Washington Quarterly* 37, no. 3 (November 10, 2014): 162, doi: 10.1080/0163660X.2014.978441.

[241] Jakarta Globe, "Yudhoyono to Joko: Don't Force Indonesia to Enter TPP";

Todd Williamson, "Why Indonesia Joining the TPP Would Be a Good Thing," *Diplomat*, December 5 2015, http://thediplomat.com/2015/12/why-indonesia-joining-the-tpp-would-be-a-good-thing/.

[242] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 140.

[243] Heriyanto, "Q&A: Trans Pacific Partnership";

Ayomi Amindoni, "TPP Contravenes Constitution: Lawmaker," *Jakarta Post*, February 4, 2016, http://www.thejakartapost.com/news/2016/02/04/tpp-contravenes-constitution-lawmaker.html.

[244] Crockett, "Could Indonesia Join the TPP?"

less competitive.[245] This would make it very challenging for parts of the government that are pro-TPP to embark on effective economic reforms. During the SBY era, there was stronger governmental support for protectionism, which has held the country back from participating in the TPP.

In contrast, under the Jokowi presidency, both President Jokowi and former Trade Minister Thomas Lembong have exhibited some political will to lower protectionism to facilitate the country's entry into TPP negotiations. Given Jokowi's priority in economic diplomacy, Indonesian ambassadors have been tasked to promote Indonesian exports in their respective countries.[246] A marked shift away from nationalist economic policies, such as caution against FTAs, has been observed when Jokowi announced his intention for Indonesia to take part in TPP negotiations.[247] As part of Jokowi's strategy to open up Indonesia's economy and attract foreign investment, the government has introduced five deregulation packages, implemented tax reform, and done away with regulations that made it compulsory for foreign workers to master the Indonesian language.[248] Joining the TPP would also enable Jokowi to deliver on his presidential campaign promise to reduce cronyism by allowing the government procurement provision in the TPP to kick in and provide a level playing field to foreign companies and SOEs alike.[249] This would most likely limit privileges usually enjoyed by Indonesian elites who have links to SOEs. Jokowi was more favorable toward his country's participation in the TPP when he selected Thomas Lembong, who was based in Singapore as a private sector investment fund manager, as his Trade Minister.[250] Lembong expressed confidence that Indonesia

---

[245] Robison and Hadiz, "Indonesia: A Tale of Misplaced Expectations," 5.

[246] Robin Bush, "Indonesia in 2015," *Southeast Asian Affairs* (2016): 140.

[247] Williamson, "Why Indonesia Joining the TPP Would Be a Good Thing,";

Bush, "Indonesia in 2015," 140.

[248] Max Lane, "Amidst Indonesia's Nationalist Atmospherics: The Changing Politics of Jokowi's Economics," *ISEAS-Yusof Ishak Institute Perspective* 64 (November 6, 2015): 9;

Joe Cochrane, "Indonesia to Decide on Joining TPP," *New York Times*, October 25, 2015, https://www.nytimes.com/2015/10/26/world/asia/joko-widodo-indonesia-washington-trans-pacific-partnership.html?mcubz=3.

[249] Williamson, "Why Indonesia Joining the TPP Would Be a Good Thing."

[250] Lane, "Amidst Indonesia's Nationalist Atmospherics," 9;

could be ready to join the TPP within two years from 2015.[251] He warned that if Indonesia chose to stay out of the trade pact, it would miss out on potential benefits of gaining greater market access to other TPP members, and suffer economic losses because of lower competitiveness in the textile industry relative to other TPP countries such as Malaysia and Vietnam.[252]

Nevertheless, the threat of potential export losses appears limited as Indonesia faces direct competition only from Vietnam and Malaysia.[253] It is also unclear how joining the TPP would directly provide economic benefits, as according to the World Integrated Trade Solutions simulation model, Indonesia's trade surplus of $2 billion with TPP countries would become a trade deficit of $19 million, despite a rise in exports to TPP countries against an even bigger increase in imports from the same countries.[254] Furthermore, if weighed against the potential losses from other TPP provisions, such as intellectual property, which would raise medicine prices and costs of inputs for Indonesian farmers and manufacturers, it seems that joining the TPP might entail more costs than benefits.[255] This would prove difficult for Jokowi to gain the support of the Indonesian legislature in joining the trade deal.

This demonstrates that there was stronger political will from the state during the SBY era to hold back from joining the TPP, even though SBY expressed interest in joining toward the end of his presidency. As for Jokowi, although he has clearly wanted Indonesia to join the TPP, the unclear costs and benefits of doing so might contribute to his relatively weaker political will in pushing for the country's participation in the TPP.

Cochrane, "Indonesia to decide on joining TPP."

[251] Cochrane, "Indonesia to decide on joining TPP."

[252] Kumsumadewi, "Weighing Costs and Benefits of Joining TPP for Indonesia."

[253] Damuri, "Trade Policy in Swing."

[254] Pritish Kumar Sahu, "Insight: Trans-Pacific Partnership: Should Indonesia Join It or Not?" *Jakarta Post*, February 18, 2016, http://www.thejakartapost.com/news/2016/02/18/insight-trans-pacific-partnership-should-indonesia-join-it-or-not.html.

[255] Ibid.

c. Assessment of First Hypothesis in the Case of Indonesia

High levels of support for protectionist policies have hindered Indonesia from committing to the trade pact. Although Jokowi displayed some political will and announced his intention for Indonesia to join the TPP, greater protectionism was observed during the SBY presidency, mainly because personal economic interests in SOEs would be threatened by Indonesia's participation in the TPP. Domestic business groups and NGOs have also exerted some influence on the government's reluctance to join the TPP, as those groups that would end up being less competitive would be most negatively affected by the introduction of greater foreign competition and trade liberalization. This would trigger calls for economic nationalism, which would limit the government's political will to push on with the TPP as they require the political support of these domestic interest groups. The evidence presented strongly supports the hypothesis that countries with greater support for protectionism are less likely to join the TPP.

4. Second Hypothesis for Indonesia's Reluctance to Join the TPP: Countries Not Supporting a Stronger U.S. Role in the Asia-Pacific Are Less Likely to Join the TPP

As one of the founders of the Non-Aligned Movement, Indonesia's foreign policy has been described as 'rowing between two reefs.'[256] Its 'free and active foreign policy' is similar to other Southeast Asian countries' strategy of hedging, in which Indonesia maintains peaceful bilateral relations with both the United States and China without aligning with either power.[257] While it has a Comprehensive Strategic Partnership with each country, it does not have military alliances with either of them.[258] Its main interest is to maintain a flexible balance of power where rising powers such as China and Japan

256 Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 144;

Prashanth Parameswaran, "The New U.S.-Indonesia Strategic Partnership after Jokowi's Visit: Problems and Prospects," *Brookings*, December 8 2015, https://www.brookings.edu/opinions/the-new-u-s-indonesia-strategic-partnership-after-jokowis-visit-problems-and-prospects/.

257 Weatherbee, "Understanding Jokowi's Foreign Policy," 166.

258 Ibid.

can emerge peacefully without threatening regional security.[259] As Indonesia strongly emphasizes ASEAN's regional leadership role in the Asia-Pacific, and because it perceives itself as the leading nation in ASEAN, it does not desire the United States to take on a larger role in the region that would undermine ASEAN leadership and centrality, both in the security and economic spheres.

a. View of the U.S. Security Role in the Asia-Pacific

Apart from SBY's opposition to the TPP on the basis that Indonesia was not ready for a WTO-Plus FTA and that ASEAN should be the main regional institution to focus on, he was also wary that signing on to the TPP might signal to the world that Indonesia is leaning towards the United States, as the TPP excludes China at the present moment.[260] Another reason for Indonesia's reluctance to join the TPP could be attributed to its attitude toward the U.S. security role in Asia-Pacific, specifically in the contentious South China Sea. Although both Indonesia and the United States promote peaceful dispute settlement according to international law, especially the UN Convention on the Law of the Sea (UNCLOS), Indonesia did not see eye-to-eye with the United States conducting freedom of navigation operation (FONOP) in the South China Sea, particularly in some waterways in the Indonesian archipelago.[261] This was despite China's aggressive actions, which threaten Indonesia's maritime sovereignty, such as encroaching on Indonesia's Natuna Island EEZ in 2010 and 2013, to which the Indonesian government chose to respond with quiet diplomacy.[262]

Even though the United States is the predominant global naval power, Indonesia had concerns that the U.S. FONOP in its archipelago might undermine its maritime sovereignty and interests in the surrounding waters.[263] For example, Jokowi's response to

---

259 Ann Marie Murphy, "Indonesia's Partnership with the United States: Strategic Imperatives versus Domestic Obstacles," in *Strategic Asia 2014-15: U.S. Alliances and Partnerships at the Center of Global Power* (Seattle and Washington D.C.: The National Bureau of Asian Research, 2014), 201.

260 Jakarta Globe, "Yudhoyono to Joko: Don't Force Indonesia to Enter TPP."

261 Murphy, "Indonesia's Partnership with the United States," 214.

262 Ibid., 211.

263 Ibid., 214.

the U.S. FONOP near one of China's artificial islands on October 27, 2015, was for all countries to 'exercise restraint.'[264] Another example is that even though Jokowi visited the Natuna islands in June 2016 to send a signal to China that the Natuna islands belong to Indonesia, his action did not imply that Indonesia the United States to play a greater security role in the region, as the visit was followed by clarifications and reassertions that Indonesia values its strong diplomatic relationship with China.[265] In fact, Indonesia not only does not expect security guarantees from the United States, it also does not want the United States to dominate the Asia-Pacific security realm and tilt the balance of power too far toward the United States, for fear of exacerbating a U.S.-China geopolitical rivalry that might undermine the status quo of regional stability that Indonesia greatly cherishes.[266] Participating in the TPP might demonstrate Indonesia's support for the U.S. pivot toward the Asia-Pacific, which others might perceive as a U.S. attempt to check China's rising power and influence in the region.

b. View of the U.S. Economic Role in the Asia-Pacific

Indonesia places a lot of emphasis on ASEAN centrality, as it perceives ASEAN as the regional leader in the Asia-Pacific and itself as the leading nation in ASEAN. It has played an important role in creating new regional institutions such as the East Asia Summit (EAS) and ASEAN Defense Ministers' Meeting (ADMM) and wanted the United States to be involved in the region's institutions by inviting that country to join them.[267] It also perceives itself as assuming the position of economic leader in the region and therefore places greater importance on the ASEAN Economic Community (AEC)

---

[264] Parameswaran, "The New U.S.-Indonesia Strategic Partnership after Jokowi's Visit."

[265] Murphy, "Indonesia's Partnership with the United States," 214–215;

Yenni Kwok, "Indonesian President Jokowi Visits the Natuna Islands to Send a Strong Signal to China," *Time*, June 22, 2016, http://time.com/4379401/indonesia-china-jokowi-natuna-sovereignty-maritime-fishing-dispute/;

Emirza Syailendra, "The Coming Uncertainty: US-Southeast Asia Relations in the Age of Trump," *Fair Observer*, January 19, 2017, https://www.fairobserver.com/region/asia_pacific/united-states-southeast-asia-china-donald-trump-news-13007/.

[266] Parameswaran, "The New U.S.-Indonesia Strategic Partnership after Jokowi's Visit";

Syailendra, "The Coming Uncertainty: US-Southeast Asia Relations in the Age of Trump."

[267] Murphy, "Indonesia's Partnership with the United States," 198.

and RCEP, initiatives that are led by ASEAN. Indonesia did not join the TPP readily as doing so would undermine ASEAN centrality and leadership and demonstrate a shift of leadership in regional trade integration from ASEAN to the United States, which Indonesia does not desire.[268]

Although the United States is not part of RCEP, Indonesia favors this RTA over TPP as ASEAN is in the driver seat leading negotiations and setting trade rules for the region.[269] In addition, the United States has not always been a supporter of ASEAN-centric institutions, as it feels the ASEAN Way prioritizes consensus and non-interference that sometimes are in the way of effective decision making.[270] Therefore, Indonesia does not want the United States to play a larger economic role, especially a leadership one, in the region, and Indonesia is concerned that joining the TPP would allow the United States to overshadow ASEAN as the dominant economic force in the Asia-Pacific region.

c. Assessment of Second Hypothesis in the Case of Indonesia

There is strong evidence that supports the hypothesis that countries not favoring a stronger U.S. role in the Asia-Pacific are less likely to join the TPP. In the security dimension, the Indonesian government is cautious about the geopolitical implications of joining a U.S.-led TPP that leaves out China, as Indonesia might veer from its non-aligned foreign policy and hedging strategy. In the spirit of 'rowing between two reefs,' Indonesia has generally engaged in quiet diplomacy by neither lashing out militarily at China's aggressive moves in the South China Sea, nor viewing U.S. FONOP favorably. In the economic sphere, Indonesia values ASEAN as the key institution in establishing its economic presence through regional trade integration, such as the RCEP and the AEC, and fears that the United States would dictate the liberal economic order in the region.

---

[268] Hidetaka Yoshimatsu, "ASEAN and Evolving Power Relations in East Asia: Strategies and Constraints," *Contemporary Politics* 18 no. 4 (2012): 410, doi: 10.1080/13569775.2012.728030.

[269] Syarip, "Responding to the Trans-Pacific Partnership (TPP)," 147–148.

[270] Murphy, "Indonesia's Partnership with the United States," 216.

5. Assessment of Both Hypotheses

Evidence from the Indonesia case strongly supports both hypotheses: it is reluctant to join the TPP because of high levels of support for protectionism from both the state and domestic interest groups under former president SBY, and despite President Jokowi expressing keen interest in joining the TPP; it is also hesitant to commit to the TPP due to fears that the United States will overshadow Indonesia as the leader of ASEAN and the regional leadership role that Indonesia perceived ASEAN to play in both the security and economic institutions.

C. THE PHILIPPINES

This section looks at the Philippines' view on trade and FTAs and its stance on the TPP, and examines the reasons behind its hesitation to join the TPP.

1. The Philippines' Stance on Trade and FTAs

The Philippines has a relatively open trade regime, with a trade-to-GDP ratio of 65%.[271] Since signing on to the WTO in 1995, it has placed importance on developing a more open, transparent, and competitive environment by implementing a liberalization program under the Tariff Reform Program since the 1980s.[272] The Philippines has a preference for multilateral trade agreements relative to bilateral ones.[273] Like all other Southeast Asian countries, the Philippines, as part of ASEAN, signed RTAs with China, Japan, Korea, India, and Australia and New Zealand. The Philippines has two bilateral FTAs—the first is the Philippines-Japan Economic Partnership Agreement (PJEPA), which entered into force in 2008, and the second is the FTA between the Philippines and the EFTA member states (Iceland, Liechtenstein, Norway, and Switzerland), which was

[271] World Bank, "Trade (% of GDP)," accessed July 1, 2017, http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS.

[272] World Trade Organization, "Trade Policy Review: Report by the Philippines," January 30, 2012, 14, https://www.wto.org/english/tratop_e/tpr_e/tp361_e.htm.

[273] Sheena Chestnut Greitens, "The U.S. Alliance with the Philippines: Opportunities and Challenges," in *Strategic Asia 2014-15: U.S. Alliances and Partnerships at the Center of Global Power* (Seattle and Washington D.C.: The National Bureau of Asian Research, 2014), 136.

signed in 2016.[274] Since the implementation of the PJEPA, Japan has become the Philippines' largest trade partner; the Philippines has enjoyed a 19% increase in total trade with Japan, and a 53% increase in its exports to Japan.[275] The PH-EFTA, once ratified, will enable the Philippines to enjoy tariff concessions on almost all Philippine agricultural exports to EFTA.[276]

The Philippines is currently negotiating RCEP and an FTA with the EU.[277] As the EU is the Philippines' fourth largest trading partner and fourth largest export market in 2016, the Philippines prioritizes the PH-EU FTA in order to take advantage of the better market access and also to catch up with other Southeast Asian countries that are also negotiating FTAs with the EU.[278] The Philippines prefers to focus on the RCEP as the government thinks it would benefit more from this trade pact, relative to the TPP.[279]

2. The Philippines' Stance on the TPP

In 2010, former President Benigno Aquino III and his administration first showed interest in the Philippines joining the TPP.[280] After the latest addition of Japan to the TPP, the Philippines became more enthusiastic about joining the TPP in 2014 as Japan and the United States are two of the country's largest trade partners, contributing to 20%

---

274 "Philippines – Trade Agreements," export.gov, July 17, 2017, https://www.export.gov/article?id=Philippines-Trade-Agreements;

275 "Philippines-Japan Economic Partnership Agreement (PJEPA)," Republic of the Philippines Department of Trade and Industry, accessed August 1, 2017, http://www.dti.gov.ph/international-commitments/bilateral-engagements/pjepa.

276 "Philippines-European Free Trade Association (EFTA) Free Trade Agreement (FTA)," Republic of the Philippines Department of Trade and Industry, accessed August 1, 2017, http://www.dti.gov.ph/international-commitments/bilateral-engagements/efta-fta.

277 "Free Trade Agreements," Asia Regional Integration Centre, accessed August 1, 2017, https://aric.adb.org/fta-country.

278 "Philippines-European Union (EU) Free Trade Agreement (FTA)," Republic of the Philippines Department of Trade and Industry, accessed August 1, 2017, http://www.dti.gov.ph/international-commitments/bilateral-engagements/eu-fta.

279 Wolf Dagmar, "Beyond Trade," Development and Cooperation, June 17, 2015, https://www.dandc.eu/en/article/philippines-decision-join-tpp-may-depend-geopolitical-concerns-rather-trade-deals-merits-and.

280 Amy R. Remo, "Charter Said to Hinder PH Bid to Join Crucial Bloc," *Philippine Daily Inquirer*, November 10, 2013, http://business.inquirer.net/151735/charter-said-to-hinder-ph-bid-to-join-crucial-bloc.

and 13% of the Philippines' exports, respectively.[281] Former trade minister Gregory Domingo stated that the Philippines had "no choice" but to use the TPP as a gateway to bigger markets such as the United States and South America, and would lose out to neighboring countries that are part of the TPP if it does not manage to join the trade pact.[282]

However, the Philippines did not join the TPP during Aquino's presidency (2010–2016) despite its keen interest to do so.[283] Both Aquino and Domingo expressed concern that the country would not be able to meet the high TPP standards, such as those that apply to intellectual property rights and environmental protection.[284] In order for the Philippines to adhere to some TPP provisions, such as opening its domestic market to foreign entities, the Philippines would have to amend economic provisions in its constitution, as the constitution currently protects the country's national independence and resources.[285] Examples of constitutional limitations are restrictions in foreign ownership of land (foreigners are not allowed to own any land) and businesses (foreigners are only allowed to own up to 40% of businesses).[286] Aquino officially did not want changes to the constitution, and this would make it difficult for the Philippines

---

281 Dion Bisara, "'Benefits of Free Trade Outweigh Disadvantages': Philippines Trade Minister," *Jakarta Globe*, October 14, 2013, http://paywall.thejakartaglobe.com/business/benefits-of-free-trade-outweigh-disadvantages-philippines-trade-minister/.

282 Remo, "Charter Said to Hinder PH Bid to Join Crucial Bloc";

Bisara, "'Benefits of Free Trade Outweigh Disadvantages'";

Rolando T. Dy, "Trans-Pacific Partnership: What It Means for Philippine Agribusiness," *Business World*, November 10, 2015, http://www.bworldonline.com/content.php?section=Opinion&title=trans-pacific-partnership-what-it-means-for-philippine-agribusiness&id=118343;

Simon, "US-Southeast Asia Relations: Commitment Concerns."

283 Remo, "Charter Said to Hinder PH Bid to Join Crucial Bloc."

284 Remo, "Charter Said to Hinder PH Bid to Join Crucial Bloc";

Imee Charlee C. Delavin and Mikhail Franz E. Flores, "Obama Caps Asian Tour, Supports Manila," *Business World*, April 30, 2014, retrieved from LexisNexis;

Yoshimatsu, "ASEAN and Evolving Power Relations in East Asia," 410.

285 Remo, "Charter Said to Hinder PH Bid to Join Crucial Bloc.";

"Never Mind the Constitution: Obama, Aquino Love the TPP," *RT*, November 18, 2015, https://www.rt.com/usa/322626-obama-aquino-tpp-constitution/.

286 Ibid.

to fulfill the various TPP provisions to open up its economy.[287] Domingo said that one way around it was to request flexibility for the Philippines to be able to comply with TPP provisions without changing any part of the constitution.[288] Nonetheless, the Aquino administration made progress in its bid for the trade pact, such as holding technical consultations in the United States. in early 2014, and consulting with six TPP nations in 2015.[289]

Under the current Philippines administration since 2016, President Rodrigo Duterte has adopted a starkly different stance to that of Aquino. He rejected the TPP, stating that the Philippines at this level of economic development was not qualified to join this high-standard trade pact.[290] Duterte also warned that the TPP was a means for the Philippines to be under the control of 'rich multinationals.'[291] Duterte's position on the TPP was in contrast with Trade Secretary Ramon Lopez who in August 2016 stated that the Philippines was still keen to join this FTA.[292]

---

[287] Remo, "Charter Said to Hinder PH Bid to Join Crucial Bloc";

Delavin and Flores, "Obama Caps Asian Tour, Supports Manila."

[288] Remo, "Charter Said to Hinder PH Bid to Join Crucial Bloc";

Catherine Pillas, "Torn between U.S.-led TPP and China-initiated RCEP," *Business Mirror (Philippines)*, December 1, 2015, http://www.businessmirror.com.ph/torn-between-u-s-led-tpp-and-china-initiated-rcep/.

[289] "Remarks with Philippine Foreign Secretary Albert del Rosario," U.S. Department of State, December 18, 2013, https://2009-2017.state.gov/secretary/remarks/2013/12/218835.htm;

Daryll D. Saclag, "Businessmen Mixed on Country's TPP Bid," *Business World*, February 3, 2014, http://www.bworldonline.com/content.php?section=TopStory&title=Businessmen-mixed-on-country%E2%80%99s-TPP-bid&id=82881;

Simon, "US-Southeast Asia Relations: Commitment Concerns."

[290] Ian Nicolas P. Cigaral, "Duterte Backs China's RCEP," *Business World*, August 9, 2017, http://www.bworldonline.com/content.php?section=Economy&title=duterte-backs-china&8217s-rcep&id=149525;

Alexis Romero, "Duterte Rejects Trans-Pacific Partnership Deal," *Philstar*, December 15, 2016, http://www.philstar.com/business/2016/12/15/1653437/duterte-rejects-trans-pacific-partnership-deal.

[291] Romero, "Duterte Rejects Trans-Pacific Partnership Deal."

[292] Ibid.

3. First Hypothesis for the Philippines' Reluctance to Join the TPP: Countries with More Support for Protectionism Are Less Likely to Join the TPP

While the Aquino government refused to amend the economic provisions of the constitution to abide by the TPP provisions, Aquino and Domingo had been enthusiastic for the country to join the TPP. This sentiment was echoed by the local big business community as it recognized the economic benefits that the TPP would bring to the Philippines. This is in contrast with Duterte's rejection of the TPP. This shows that the country under both administrations on balance shows moderate support for protectionism against the TPP.

a. Degree of Political Strength of Domestic Protectionist Interest Groups

The local big business community in the Philippines favors the TPP and recognizes the benefits domestic groups in this community stand to gain from the country's participation.[293] Foreign companies together with domestic big businesses support the amendment of the constitution in order for the Philippines to join the TPP, as this would allow foreign firms to own a greater percentage of businesses in the Philippines and gain a bigger foothold in the domestic economy.[294] On the other hand, farmers and groups in the agriculture sector have been dissuading the government from participating in the TPP, as they are concerned about the impact of foreign competition on their livelihood.[295]

The Philippines export industry, as represented by the Philippine Exporter Confederation, would reap the benefits of expanding their export markets with reduction of tariffs, and would lose out a substantial portion of the U.S. market to other TPP members if it is left out of the trade pact.[296] As for the Makati Business Club, it

293 Carol Pagaduan-Araullo, "Defending Economic Sovereignty," *Business World*, April 25, 2014, http://www.bworldonline.com/content.php?section=Opinion&title=defending-economic-sovereignty&id=86498.

294 Pagaduan-Araullo, "Defending Economic Sovereignty."

295 "The Philippines and TPP: Opportunities and Challenges," USAID, March 17, 2016, 23, http://pdf.usaid.gov/pdf_docs/PA00MBQJ.pdf.

296 Dy, "Trans-Pacific Partnership: What It Means for Philippine Agribusiness";

recommends that the Philippines join the TPP after studying the potential effects on the economy.[297] President of the Philippines Chamber of Commerce and Industry also sees the advantages that would be accrued from joining the TPP, such as bringing in more FDI to spur SMEs and the overall economy's growth, instead of relying heavily on overseas Filipino workers' remittances, which constitute the second largest source of foreign reserves.[298] Business leaders also call for the country to join the TPP to take advantage of the opportunities of increased exports and strengthening investment relationships with huge investor countries such as the U.S. and Japan.[299] While the local big business community has influence over economic policymakers to push for constitutional changes to facilitate the country's entry into the TPP, these domestic non-state groups such as Makati Business Group and business leaders also recognize that it would be politically challenging for the government to drastically remove protectionist policies in the constitution, particularly the ones limiting foreign ownership in the country.[300]

Nevertheless, there are a few exporters, especially in the agriculture sector, that may not be in a good position to withstand foreign competition. Poor farmers, especially those who grow rice and sugar, have spoken out via the National Federation of Hog Farmers that the agriculture sector needs government protection as the Philippines would not be able to compete with Vietnam in this area.[301] Farm workers and peasants are expected to resist constitutional changes that would liberalize foreign ownership of land and threaten their livelihood if their land is sold to foreign companies.[302] The activist

---

Pagaduan-Araullo, "Defending Economic Sovereignty";

Remo, "Charter Said to Hinder PH Bid to Join Crucial Bloc."

[297] Gerardo P. Sicat, "TPP Beneficial for Philippine Economic Progress," *Philstar*, October 28, 2015, http://www.philstar.com/business/2015/10/28/1515538/tpp-beneficial-philippine-economic-progress.

[298] "Business Community Favors Philippines Joining TPP," *Philippine Star*, April 14 2016, http://www.philstar.com/business-usual/2016/04/04/1569052/business-community-favors-philippines-joining-tpp;

Greitens, "The U.S. Alliance with the Philippines," 131.

[299] Philippine Star, "Business community favors Philippines joining TPP."

[300] Pagaduan-Araullo, "Defending economic sovereignty";

Philippine Star, "Business community favors Philippines joining TPP."

[301] USAID, "The Philippines and TPP: Opportunities and Challenges," 23.

[302] Pagaduan-Araullo, "Defending Economic Sovereignty."

group Kalikasan People's Network for the Environment have raised concern that removing trade and environment regulations on big corporations would allow foreign large corporations to own land and resources in the Philippines, which would threaten to undermine the country's sovereignty.[303]

a. Degree of Political Will of Government to Maintain Protectionism

During the Aquino era, the Philippines expressed keen interest in joining the TPP. As part of the Partnership for Growth initiative by the United States and the Philippines, one of its aims was to provide support necessary for reforms in the trade and investment areas to help prepare the Philippines to enter the TPP.[304] One successful area in this initiative is that technical assistance was provided to improve the country's institutions to increase its readiness to join the TPP.[305] To make the Philippines more prepared to join the TPP, Aquino also lifted restrictions on Philippine bank ownership by foreign banks from 60% to 100% in 2014 as a move toward greater market liberalization.[306]

The Aquino government, however, especially the Trade and Industry Department, did not have enough political influence to push for constitutional amendment of protectionist policies.[307] Aquino and government policymakers lacked the political will to make changes to laws and regulations as this would entail huge economic reforms in government regulations that could result in possible political backlash from domestic industries such as those from the agricultural sector.[308] In addition, Philippines' state

303 "Aquino Presses PH Inclusion in Pacific Trade Deal," *Rappler.com*, April 28, 2014, http://www.rappler.com/business/economy-watch/56626-aquino-obama-philippines-trans-pacific-partnership.

304 Pagaduan-Araullo, "Defending Economic Sovereignty."

305 "Partnership for Growth (PFG)," USAID, January 25, 2017, https://www.usaid.gov/philippines/partnership-growth-pfg.

306 RT, "Never Mind the Constitution: Obama, Aquino Love the TPP."

307 Sicat, "TPP Beneficial for Philippine Economic Progress."

308 Yoshimatsu, "ASEAN and Evolving Power Relations in East Asia," 410.

enterprises also wield a significant amount of political influence to resist liberalization of certain related economic sectors that these state enterprises have a huge stake in.[309]

a. Assessment of First Hypothesis in the Case of The Philippines

The Philippines government under the Aquino administration lacked the political will to lower protectionism to facilitate the country's entry into the TPP, as the government was greatly resistant in amending protectionist policies within the constitution. This has held the government back from joining the TPP, despite Aquino expressing keen interest for his country to join the trade pact and the local big business community possessing some political influence to push for constitutional changes, as both the state and the domestic interest groups recognize the potential negative effects that lifting restrictions on foreign ownership of land and resources would have on domestic industries. Aside from threats to access to affordable medicines and the impact of foreign competition on SMEs, potential effects of TPP participation on the Philippines economy would be positive, such as an estimated increase of 42% in exports and 59% in GDP.[310] Joining the TPP would also prevent trade diversion from the Philippines to existing TPP members and would bring about great incentive for the country to embark on reforms that would improve its competitiveness and efficiency, facilitating job creation and retaining Filipino workers in the country.[311]

Under the Duterte government, the president has outright rejected the TPP as he feels that the Philippines has not reached and is not prepared to reach the level of economic development necessary to join this trade deal. Therefore the aforementioned evidence only partially supports the hypothesis that countries with higher protectionism levels are less likely to join the TPP.

---

309 Joshua Kurlantzick, "The Philippines, Thailand, South Korea and Taiwan: Joining TPP?" *National Interest*, June 30, 2015, http://nationalinterest.org/blog/the-buzz/the-philippines-thailand-south-korea-taiwan-joining-tpp-13226.

310 "The Philippines and TPP: Opportunities and Challenges," 1, 10.

311 Ibid.

4. Second Hypothesis for Why the Philippines' Reluctance to Join the TPP: Countries not Supporting a Stronger U.S. Role in the Asia-Pacific Are Less Likely to Join the TPP

Unlike the other Southeast Asian countries, the Philippines under the Aquino government did not actively employ the hedging strategy in its foreign policy between the United States and China. As a long-time ally of the former, the Philippines has traditionally been aligned with the United States, especially in the security aspect, such as the Mutual Defense Treaty of 1951 and the recently concluded Enhanced Defense Cooperation Agreement (EDCA). China's recent assertive stance and encroachment on disputed South China Sea territory has caused the Philippine government to look to the United States for support in defending its maritime sovereignty. This could explain Aquino's enthusiasm for joining the TPP and could reflect his administration's desire for the United States to play a greater role in the security and economic dimensions in the region.

On the flipside, Duterte has shown through his actions that he does not desire for the United States to take on a bigger security and economic role, as he has leaned toward China for economic assistance. He also took a softer stance on negotiating with China regarding the Philippines' disputed South China Sea territory. This could suggest his rejection of the TPP.

a. View of the U.S. Security Role in the Asia-Pacific

In view of China's increasing assertiveness in the maritime domain, especially its encroachment into disputed territorial waters and EEZ near the Philippines, it has been observed that the Philippines desired the United States to assume a greater security role in the region. It has also been observed that there was an active bilateral security relationship between the United States and the Philippines under the Aquino administration.[312] One way of standing up to China's assertive actions has been to develop a stronger alliance between both parties via the signing of the EDCA in April

[312] Greitens, "The U.S. Alliance with the Philippines," 132.

2014.[313] It is an executive agreement that affirms Philippines sovereignty by having rotational U.S. presence instead of permanent bases, so as to reduce domestic uproar over foreign bases.[314] Part of the EDCA allows the Philippines to have access to the most modern U.S. technology in the defense arena.[315]

Other than conducting annual military exercises, such as the Balikatan and PHIBLEX amphibious landing exercises, former U.S. President Obama in 2015 announced that the United States would give two ships to the Philippine Navy as a form of assistance to the Aquino administration and also to increase its military presence in the region.[316] The Philippines valued the enhancement of its security relationship with the United States, and Aquino may have expressed keen interest to join the TPP to try to get the United States on its side in the event of future conflict with China regarding the disputed South China Sea territory.[317] By linking the United States more closely to the region through the superpower's military power, the Aquino administration was emboldened to oppose China's nine-dash line claim over the South China Sea; it filed an arbitration case against China in accordance with UNCLOS regarding the disputed territorial waters and its EEZ.[318]

After Duterte was elected as president in June 2016, however, he downplayed the importance of the U.S.-Philippines alliance by threatening to back out from the EDCA, scaling down bilateral military exercises such as the Balikatan 2017 and not permitting

---

[313] Ibid., 128, 133.

[314] Ibid., 134

[315] "Remarks by President Obama and President Aquino of the Republic of the Philippines after Bilateral Meeting," The White House, November 17, 2015, https://obamawhitehouse.archives.gov/the-press-office/2015/11/17/remarks-president-obama-and-president-aquino-republic-philippines-after.

[316] Greitens, "The U.S. Alliance with the Philippines," 133;

RT, "Never Mind the Constitution: Obama, Aquino Love the TPP."

[317] Dagmar, "Beyond Trade."

[318] Jose Maria Sison, "US and Philippines: How Strategic Is the Partnership?" *Aljazeera*, April 28, 2014, http://www.aljazeera.com/indepth/opinion/2014/04/us-philippines-how-strategic-pa-201442871034598657.html;

Antonio T. Carpio, "What's at Stake in Our Case vs China," *Rappler.com*, March 9, 2014, https://www.rappler.com/thought-leaders/52540-philippines-case-china-carpio.

U.S. naval ships to utilize Philippine facilities for their South China Sea patrols.[319] Contrary to the International Arbitration Tribunal, which ruled in 2015 that the disputed maritime territory belonged to the Philippines, Duterte did not take a harsh stance on China's build-up of military and government facilities in the disputed maritime territorial areas; further, he even said that the Philippines cannot stop China from doing so and that he was willing to negotiate bilaterally with China on this issue.[320] This drastic change in the current administration's view of its military relationship with the United States, mainly due to the U.S. disapproval of Duterte's 'war on drugs' in the Philippines, and its softer position toward China regarding the South China Sea dispute, shows that the Philippines does not want the United States to act as a security guarantor in the region, which gives the Duterte administration fewer incentives to sign on to the TPP.

b. View of the U.S. Economic Role in the Asia-Pacific

As the United States is one of the Philippines' key trading partners, the Aquino administration recognized the economic benefits of being part of the TPP and moved closer to joining it by starting technical consultations in early 2014.[321] However, economic reforms would need to be undertaken before the Philippines is ready to fulfill TPP obligations.

Like other Southeast Asian nations, bilateral trade between the Philippines and China has increased dramatically, with China overtaking the United States as the Philippines' second largest trading partner, recording US$ 17.6 billion in 2015.[322] While

---

[319] Michael Mazza, "With Rodrigo Duterte in Power, What Hope Is There for U.S.-Philippines Relations?" *Forbes*, May 4, 2017, https://www.forbes.com/sites/insideasia/2017/05/04/trumps-white-house-invitation-to-philippines-president-rodrigo-duterte-foolish-or-forward-thinking/#733cd08325ef;

Prashanth Parameswaran, "How Significant Is the 2017 US-Philippines Balikatan Military Exercise?" *Diplomat*, May 16, 2017, http://thediplomat.com/2017/05/how-significant-is-the-2017-us-philippines-balikatan-military-exercise/.

[320] ASEAN, "The Philippines' Economic and Political Relations with China," ASEAN Briefing, April 10, 2017, http://www.aseanbriefing.com/news/2017/04/10/philippines-economic-political-relations-china.html;

Hannah Beech, "Q and A: Philippines President Benigno Aquino III on China, the U.S. – and Duterte," *Time*, May 19, 2016, http://time.com/4341715/q-and-a-philippines-president-benigno-aquino-iii/.

[321] Greitens, "The U.S. Alliance with the Philippines," 136.

[322] ASEAN, "The Philippines' Economic and Political Relations with China."

the high two-way trade presented a good economic opportunity to the Philippines, it was also cause for concern that the Philippine government might need to compromise on the security front to maintain economic dependence on China.[323] In this respect, the Philippines showed enthusiasm to join the TPP as it wanted to reap the economic benefits from greater access to the U.S. market while reducing its increasing economic dependence on China.[324]

As for Duterte, he has not seen a need to rely on the United Statesfor economic assistance, as demonstrated by his visit to China in October 2016 when he succeeded in securing US$ 24 billion worth of trade deals and business from China for the Philippines.[325] In this sense, there was little incentive for the Philippines to join the TPP to take advantage of the economic benefits from the United States, given that the Philippines could turn to China to help boost its economic growth.

a. Assessment of Second Hypothesis in the Case of The Philippines

Under the Aquino administration, the Philippines desired the United States. to take on a greater role in both the security and the economic aspects of the bilateral Philippine-U.S. relationship. Primarily due to China's assertive actions in the South China Sea, the Philippines actively sought for increased security and defense cooperation with the United States, such as through the EDCA and continual of the annual military exercises. The Philippines also wanted the United States to play a bigger economic role in the region through the TPP so that it could reduce its economic dependence on China and not have to make compromises in the security realm.

On the other hand, not only does Duterte not want the United States to take on a larger role in the region, his foreign policy has taken a 180 degree switch from the Aquino era to move closer to China, especially in economic ties. He does not view that this move was made at the expense of U.S. security guarantee.

---

[323] Greitens, "The U.S. Alliance with the Philippines," 126–127.

[324] Ibid.

[325] ASEAN, "The Philippines' Economic and Political Relations with China."

Looking at the views of both recent Philippine administrations, the evidence partially supports the hypothesis that countries that do not desire the United States to play a bigger role in Asia-Pacific are less likely to join the TPP..

5. Assessment of Both Hypotheses

During the Aquino era, the Philippines government, while expressing keen interest in joining the TPP to reap economic benefits from the trade deal and for fear of losing out, lacks the political will and strength to amend protectionist policies in its constitution to meet TPP provisions. Support for liberalization from the local business community was not sufficient to influence the government to join the TPP. Also, the Philippines still has not joined the TPP despite desiring the United States to increase its military and economic presence in the region, especially in the face of China's assertiveness in the maritime domain.

Under the current Duterte administration, the president's rejection of the TPP is a reflection of protecting the economy from a trade deal that would demand high standards that the Philippines at the present moment would be unable to meet. His closer move toward China, especially in the economic realm, and his softer position on China in the disputed South China Sea territory despite the International Arbitration ruling shows that he does not want the United States to assume a larger role in the region. Moreover, he is even less inclined to want the country to join the TPP to encourage the strengthened U.S. role.

The evidence presented from the Philippines case partially supports the first hypothesis that countries with higher levels of support for protectionism are less likely to join the TPP. For the second hypothesis, the evidence in the Philippines case also partially supports the hypothesis that countries that do not desire the United States to play a greater role in the Asia-Pacific are less likely to join the TPP.

D. THAILAND

This segment on Thailand covers that country's general position on trade and FTAs, as well as its stance on the TPP, and explores the reasons behind Thailand's reluctance to join the TPP.

1. Thailand's Stance on Trade and FTAs

According to the 2015 WTO Trade Policy Review, Thailand is a staunch supporter of a well-functioning multilateral trading system, which is represented by its participation in the WTO, and has a trade-to-GDP ratio of 123%.[326] It also believes that FTAs are necessary to supplement the WTO because they allow preferential treatment in access to FTA partners' markets while taking into account the countries' different levels of economic development.[327]

Thailand, as part of ASEAN, currently is a member of five RTAs with China, Japan, Korea, India, and Australia and New Zealand.[328] In terms of bilateral FTAs, Thailand has established them with Australia, New Zealand, and Japan, and has partial scope RTAs with India and Peru. These FTAs cover 57% of Thailand's overall trade in 2014.[329] It recently implemented an FTA with Chile in November 2015.[330] It is currently involved in RCEP negotiations between ASEAN and its RTA partners, and is considering participation in the TPP and Eurasian Economic Union.[331]

---

[326] "Trade Policy Review: Report by Thailand," World Trade Organization, October 20, 2015, 21, https://www.wto.org/english/tratop_e/tpr_e/g326_e.pdf;

World Bank, "Trade (% of GDP)," accessed July 1, 2017, https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS.

[327] "Trade Policy Review: Report by Thailand," 20.

[328] "Trade Policy Review: Report by the Secretariat, Thailand," World Trade Organization, October 20, 2015, https://www.wto.org/english/tratop_e/tpr_e/s326_e.pdf.

[329] Phusadee Arunmas, "Trade Pacts: Torn between Two Giants," *Bangkok Post*, November 23, 2015, http://www.bangkokpost.com/print/773560/.

[330] "Thailand – Trade Agreements," export.gov, July 18, 2017, https://www.export.gov/article?id=Thailand-trade-agreements.

[331] "Trade Policy Review: Report by Thailand," 22.

Dmity Bokarev, "Thailand between the TPP and the EAEU," *New Eastern Outlook*, November 20, 2016, http://journal-neo.org/2016/11/20/thailand-between-the-tpp-and-the-eaeu/.

2. Thailand's Stance on the TPP

Despite its generally positive stance on preferential trade agreements, Thailand has been ambivalent towards the TPP.[332] Although former Prime Mininster Abhisit Vejjajiva's government considered taking part in the TPP in 2011, Thailand felt that it was inappropriate to engage in secret negotiations during the politically turbulent yellow and red shirts protests at that time.[333]

The government under Yingluck Shinawatra expressed interest in the TPP during U.S. President Obama Barack's state visit to Thailand in 2012.[334] In October 2015, Thailand Deputy Prime Minister Somkid Jatusripitak and Commerce Minister Apiradi Tantraporn have said that Thailand should not dismiss the TPP.[335] In February 2016, Prime Minster Prayuth Chan-o-cha commented at the meeting with the Japanese Chamber of Commerce that Thailand believed joining the TPP would contribute to growth of trust between Thai and Japanese investors.[336] In June 2016, Prayuth confirmed that Thailand was ready to enter TPP negotiations once the trading bloc was open to new membership, but only after public hearings were held to gather feedback from supporters and opponents alike.[337] Despite the past Thai governments' willingness to consider joining the TPP, it still has not taken active steps to do so.

---

[332] "Thailand in the TPP?" *Bryan Cave Consulting*, accessed June 11, 2016, http://www.isit.or.th/uploads/trademeasures/618-file.pdf.

[333] David Norcross, "Will the TPP Free Trade Agreement Have a Negative Effect on Thailand?" *Asian Correspondent*, November 30, 2015, https://asiancorrespondent.com/2015/11/will-the-tpp-free-trade-agreement-have-a-negative-effect-on-thailand/.

[334] Paul Ryding, "An Exiled Leader Breaks His Silence: A Conversation with Thaksin Shinawatra," *World Policy Journal* 33, no. 2 (Summer 2016): 60.

[335] Nareerat Wiriyapong, "Trade Game-changer," *Bangkok Post*, October 19, 2015, http://www.bangkokpost.com/archive/trade-game-changer/734480.

[336] Bokarev, "Thailand between the TPP and the EAEU."

[337] Chatrudee Theparat and Phusadee Arunmas, "Thais 'Ready to Join TPP'," *Bangkok Post*, June 1, 2016, http://www.bangkokpost.com/print/996517/.

3. First Hypothesis for Thailand's Reluctance to Join the TPP: Countries with More Support for Protectionism Are Less Likely to Join the TPP

Strong business and NGO opposition has derailed successive governments' efforts to join the TPP. Other than past Thai governments viewing the country as not prepared to join the high-standard TPP, they also have not been able to muster the political will to implement economic reforms to lower protectionism amid domestic political turmoil.

a. Degree of Political Strength of Domestic Protectionist Interest Groups

Various domestic protectionist interest groups have publicly expressed their opposition to Thailand's joining the TPP. Given that TPP demands high standards above what is expected of a WTO member as compared to fewer provisions and lower standards in existing bilateral and regional FTAs, local activist groups successfully lobbied against joining the TPP as they perceived that developed economies would gain more economically at the expense of Thailand, especially in sensitive sectors such as rice, livestock, intellectual property, and ISDS. [338]

The National Farmers Council (NFC), BioThai, and Beef Cattle Association of Thailand have outwardly protested Thailand's possible membership in the TPP in the agricultural sector. NFC Chairman Prapat Panyachatrak expressed concern that if Thailand joins the TPP, the rice farming sector will be most adversely affected, as small and medium-sized farm operators would be unable to keep up with foreign competition.[339] The Council put up a petition to the Ministry of Agriculture and Cooperatives to safeguard farmers' interests and mitigate the potential negative effects on

---

[338] Pongphisoot Busbarat, "'Bamboo Swirling in the Wind'": Thailand's Foreign Policy Imbalance between China and the United States," *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* 38, no. 2 (August 2016): 249.

[339] Holly Reeves, "TPP: It's Make or Break for Thailand," *ASEAN Today*, May 10, 2016, https://www.aseantoday.com/2016/05/tpp-make-or-break-for-thailand/;

Apinya Wipatayotin and Phusadee Arunmas, "Farmers Vow Protests if TPP Gets Nod," *Bangkok Post*, April 28, 2016, http://www.bangkokpost.com/archive/farmers-vow-protests-if-tpp-gets-nod/950629;

Herman, "Thailand Tipping Toward TPP."

rice exports, especially on threatening Thailand's status of one of the world's leading rice exporters to huge markets such as the U.S. market.[340] This explains why past governments held back from joining the TPP to maintain their hold on political power, as they could not afford to sacrifice political support from rice farmers.[341]

Livestock farmers have similar concerns in terms of foreign competition from other TPP countries. The Beef Cattle Association of Thailand is worried that livestock farmers might lose their livelihood as their domestic pork and poultry would not be able to compete with cheaper ones, especially from the U.S. farming industry.[342] They are fearful that history would repeat itself, such as when farmers faced difficulty competing with cheaper and higher quality meat imports from Australia when the Thailand-Australia bilateral FTA was signed in 2005. This could explain why farmers are willing to take to the street to protest Thailand's consideration to join the TPP, and why the government has yet to take any active steps.

Thailand's domestic interest groups have urged the government to examine the TPP's terms and conditions, especially in the area of intellectual property. For drug patents, Thailand would have to agree to data exclusivity (DE) if it joins the TPP, which would mean that generic drug makers cannot rely on clinical test data to produce their own drugs.[343] With the DE, the Thai government would also not be able to issue a compulsory license to import affordable generic drugs, which would lead to higher prices of medicines and drugs.[344] FTA Watch, together with civil society organizations such as

---

340 Titipol Phakdeewanich, "The Challenging Circumstances and Future Prospects for Thai Rice Farmers," *Kyoto Review*, March 2015, https://kyotoreview.org/yav/the-challenging-circumstances-and-future-prospects-for-thai-rice-farmers/;

Reeves, "TPP: It's Make or Break for Thailand,";

Wipatayotin and Arunmas, "Farmers Vow Protests if TPP Gets Nod."

341 Wen Zha, "Personalized Foreign Policy Decision-making and Economic Dependence: A Comparative Study of Thailand and the Philippines' China Policies," *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* 37, no. 2 (August 2015): 260.

342 Herman, "Thailand Tipping towards TPP";

Wipatayotin and Arunmas, "Farmers Vow Protests if TPP Gets Nod."

343 Paritta Wangkiat, "TPP Opponents Voice Major Concerns," *Bangkok Post*, November 23, 2015, http://www.bangkokpost.com/archive/tpp-opponents-voice-major-concerns/773528.

344 Ibid.

Thai Health Promotion Institute, has raised its concerns to the Commerce Ministry that the extension of medicine patent protection from one to ten years would result in higher annual medicine expenditure.[345] This increase in spending would have to be funded by the health budget, which may prove difficult for the national social health guarantee program to cover its citizens' health insurance.[346] The potential negative impact on the country's healthcare system could have held the government back from committing to the TPP.

BioThai has also opposed adhering to the TPP provision on patents on plants and animals.[347] Such patents are required to be extended from 12 to 20 years under the TPP, which means that private companies will be given the rights to plant-related products for more years while local farmers would not be able to plant seeds from mature plants.[348] BioThai is concerned that this will negatively affect local communities as extension of such patents might threaten traditional farming techniques.[349] In addition, the TPP requires member countries to join the International Convention for Protection of New Varieties of Plants, which protects foreign companies' biodiversity discoveries.[350] Not only would this inhibit farmers and breeders from exchanging protected seeds for 20 to 25 years, it would also result in an estimated annual biodiversity loss of 49 billion baht.[351] These plant farmers have become more vocal politically and would demonstrate should the government go ahead with the TPP.

---

345 FTA Watch, "FTA Watch's TPP Proposals to the Commerce Minister," *BioThai*, May 31, 2016, http://www.biothai.org/node/1424.

346 Ibid;

Theparat and Arunmas, "Thais 'Ready to Join TPP'";

Herman,"Thailand Tipping towards TPP."

347 Wangkiat, "TPP Opponents Voice Major Concerns."

348 Ibid.

349 Norcross, "Will the TPP Free Trade Agreement Have a Negative Effect on Thailand?";

Reeves, "TPP: It's Make or Break for Thailand."

350 Wipatayotin and Arunmas, "Farmers Vow Protests if TPP Gets Nod."

351 Reeves, "TPP: It's Make or Break for Thailand";

Wipatayotin and Arunmas, "Farmers Vow Protests if TPP Gets Nod."

Another sensitive area that interest groups have called to the government's attention is the issue of Thailand adopting an ISDS mechanism if it joins the TPP. The mechanism allows foreign investors to settle disputes directly with the state via international arbitration, especially if local laws restrict these investors to conduct business.[352] The FTA Watch has alerted the government that agreeing to implement the ISDS might result in the government being sued for compensation by foreign investors, and undermine interests of local enterprises if the government amends local laws to facilitate foreign businesses' operations in Thailand.[353]

a. Degree of Political Will of Government to Maintain Protectionism

Thailand has not joined the TPP as it is not prepared to abide by the WTO-Plus standards of provisions in the TPP and negotiate in sensitive sectors.[354] It will not economically benefit at its current stage of development due to the high economic reform costs that they are expected to take on to attain such high trade standards in the TPP.[355] This is reflective of past Thai administrations, which lacked the capacity to embark on economic reforms to meet TPP's high standards, and also reflects the government's desire to protect sensitive economic sectors by its reluctance to negotiate in those areas. Recognizing that Thailand was still backward in some areas such as intellectual property, pharmaceuticals, and biodiversity, the government felt that it had to consult with relevant stakeholders, such as the Board of Trade, Federation of Thai Industries, and Thai Bankers Association, before making the decision on joining the TPP.[356] Without the economic reforms in place, Thailand was not ready and prepared to attain the high standards demanded of a TPP member.[357]

---

[352] Theparat and Arunmas, "Thais 'Ready to Join TPP'."

[353] FTA Watch, "FTA Watch's TPP Proposals to the Commerce Minister."

[354] Wilson, "Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?" 351;

Ravenhill, "The Political Economy of an "Asian" Mega-FTA," 1086;

Petri and Plummer, "ASEAN Centrality and the ASEAN-US Economic Relationship," 8.

[355] Ibid.

[356] Wangkiat, "TPP Opponents VoiceC."

[357] Wiriyapong, "Trade Game-changer."

Crippled by domestic political turmoil, the past Thai governments have also not been able to muster the political will and capital to embark on economic reforms to meet TPP's high standards without risking political support from various quarters. The rapid changes in the Thai administrations since the ouster of Thaksin in 2006 have made it difficult for Thailand to focus and provide continuity in this particular economic decision. The past few governments have not been able to dedicate sufficient time and resources to study this issue in great detail amid political upheavals. Even though the Yingluck administration pledged to consider joining TPP in 2012, domestic tension between the pro- and anti-Thaksin factions dramatically reduced political stability and paralyzed the government's decision-making ability on the TPP. Also, there was still no change in Thailand's TPP position, despite Prayuth's intention to join the TPP several times, such as at the U.S.-ASEAN Special Leaders' Summit in February 2016, at the meeting with the Japanese Chamber of Commerce in the same month, and after Deputy Prime Minister Somkid clarified that Prayuth felt that Thailand was ready to join TPP.[358]

Another reason for the lack of political will to lower protectionism and embark on economic reforms is the unclear economic benefits and costs to Thailand if it joins the TPP. The positive findings from Panyaapiwat Institute of Technology (PIT), commissioned by the Ministry of Commerce, showed that under the TPP, i) Thailand's GDP would increase by 0.77%; ii) Thailand's manufacturing and services standards would be enhanced by removal of tariff barriers for trade in goods and services; and iii) Thailand would attract more FDI into the country.[359] However, this is contrasted against its other findings that the TPP leads to increased intellectual property protection, which would require an increase in government spending on healthcare due to expected price hikes in medicines and drugs.[360] The TPP also requires the government to amend laws and regulations to make them compliant with the high-standard FTA.[361] Similar to the PIT study finding, the Thailand Development Research Institute (TDRI) shared that the

[358] Busbarat, "Bamboo Swirling in the Wind," 250–251.

[359] Phusadee Arunmas, "TPP Would Boost Economy by 0.77%, Says Study," *Bangkok Post*, January 29, 2016, http://www.bangkokpost.com/print/843860/.

[360] Ibid.

[361] Ibid.

positive impact of joining the TPP would be on Thailand's automobile, textile, and services sectors, which would prove more competitive and draw in more FDI.[362] TDRI cautions though that Thailand's exports are currently facing a decline, and the exclusion of Thailand from the TPP further compounds the problem as its competitiveness would be reduced relative to other TPP member countries.[363]

Although the two aforementioned institutions show that there are some economic benefits to Thailand in terms of greater market access to larger TPP economies in certain sectors, the World Integrated Trade Solutions simulation model showed the economic costs that would come with it. It assessed that Thailand's trade balance will worsen after joining the TPP, because even though exports are estimated to rise by $2.8 billion, this would be more than negated by an increase in imports of $4.3 billion.[364] If Thailand chooses not to join the TPP, the model showed that even with all tariffs eliminated but not taking into account the "yarn forward rule of origin," [365] Thailand could still maintain a trade surplus of $8 billion with TPP member countries as exports would fall by only $396 million.[366] Therefore it is unclear how Thailand could make up for the potential losses from other TPP chapters with a trade deficit.[367] Furthermore, both Deputy Prime Minister Somkid and Commerce Minister Apiradi said that Thailand was not pressured to join the TPP, given its existing FTAs with nine of 12 TPP member countries.[368] Apiradi added that RCEP was expected to make up for the potential losses from not joining the TPP.[369] These unclear and uncertain economic benefits and costs make it difficult for the Thai government to arrive at a decision regarding TPP membership.

---

[362] Arunmas, "Trade Pacts: Torn between Two Giants."

[363] Ibid.

[364] Sahu, "The Many Hidden Costs of Joining the TPP."

[365] An example of the "yarn forward rule of origin" is that thread and fabric are required to come from TPP countries in order for finished clothing to enjoy lower tariffs into other TPP member countries.

[366] Sahu, "The Many Hidden Costs of Joining the TPP."

[367] Ibid.

[368] Martin Klose, "Trans Pacific Partnership and Its Implications on Thailand," Rodl & Partner, November 10, 2015, http://www.roedl.com/locations/asiapacific/thailand/trans_pacific_partnership_tpp_and_its_implications_on_thailand.html; Arunmas, "Trade pacts: Torn between two giants."

[369] Ibid.

a. Assessment of First Hypothesis in the Case of Thailand

High protectionism levels from both the domestic non-state interest groups and the government have held the country back from committing to join the TPP. Protectionist interest groups have openly expressed their concern on particular sensitive TPP provisions such as intellectual property, ISDS, and agriculture. The Thai government also lacks the political will to reduce protectionism in the midst of domestic political instability. The evidence strongly supports the hypothesis that countries with higher protectionism levels are less likely to join the TPP.

4. Second Hypothesis for Thailand's Reluctance to Join the TPP: Countries not Supporting a Stronger U.S. Role in the Asia-Pacific Are Less Likely to Join the TPP

Thailand has been mulling over the TPP because it does not want to appear to lean toward the United States, and has hedged between that country and China. Thailand is employing omnidirectional hedging, where it aims to establish close relations with all major powers including Russia, India, and Japan, and not just with the global powers of the United States and China.[370] While Thailand cherishes its longtime alliance with the United States, it does not want to be overly dependent on it, as it prefers to hedge against the uncertainty of continued American military presence in the region, and against the rise of China and its increased assertiveness.[371] In this respect, Thailand does not support the U.S. rebalance to the region as it is concerned that this is a means of containing China's influence. As Thailand treats China as a valued trading partner on whom it increasingly relies economically, Thailand is also not in favor of the United States playing a larger economic role in the region. It prefers to depend on ASEAN as the key regional institution in negotiating trade arrangements. Therefore, Thailand does not want the United States to play a bigger role in the Asia-Pacific in the security and economic realms.

---

[370] Chookiat Panaspornprasit, "Thailand: Historical and Indefinite Transitions," *Southeast Asian Affairs* (2017): 360–361.

[371] Olli Suorsa, "Hedging against Over-dependence on US Security: Thailand and Philippines," *S. Rajaratnam School of International Studies Commentary* no. 317 (December 29, 2016).

a. View of the U.S. Security Role in the Asia-Pacific

There is a security dimension to Thailand's indecision on the TPP. While Obama had announced the TPP as a key component of the U.S. rebalance to the Asia-Pacific region in 2012, Washington also wanted to make use of the RTA to maintain U.S. military presence and regional influence.[372] Given Thailand's strategic omnidirectional hedging strategy, it has not been receptive to the U.S. pivot because the government perceived it as a China containment strategy, which it does not want to support at the expense of its burgeoning security relations with China.[373] Thailand has been hesitant to join the TPP as it does not want this decision to be interpreted as supporting the United States in containing China.[374] Moreover, unlike Vietnam, Malaysia, the Philippines, and Indonesia, Thailand does not have any territorial disputes with China.

In addition, unlike other Southeast Asian countries, Thailand does not perceive the rise of China as a threat or a source of regional instability, but rather views China as an important security partner, as shown by Thai leaders' frequent visits to Beijing and regular military exercises between the two countries.[375] Given that the United States has scaled back Cobra Gold to express its disapproval that the Thai military coup took place in 2014 in an undemocratic fashion, and that the military junta could turn to China as an alternative source of military hardware, this shows that Thailand does not need to join the TPP to engage the United States as an external security guarantor and does not desire the United States to play a greater security role in the region.[376]

---

[372] Ian Storey, "Thailand's Post-Coup Relations with China and America: More Beijing, Less Washington," *ISEAS-Yusof Ishak Institute, Trends in Southeast Asia* no. 20 (December 2015): 2.

[373] Storey, "Thailand's Post-Coup Relations with China and America," 10–11;

Busbarat, "Bamboo Swirling in the Wind," 251.

[374] Ibid.

[375] Zha, "Personalized Foreign Policy Decision-making and Economic Dependence," 253.

[376] Suorsa, "Hedging against Over-dependence on US Security: Thailand and Philippines,";

William T. Tow, "US Rebalancing: ASEAN and America's Maritime Allies," *ISEAS-Yusof Ishak Institute Perspective* no. 10 (March 9, 2016): 6;

Panaspornprasit, "Thailand: Historical and Indefinite Transitions" 360–361.

b. View of the U.S. Economic Role in the Asia-Pacific

Apart from containing China in the security realm, Thailand has perceived that excluding China from the TPP is also a form of containment in which it is not willing to take part. This is because Thailand regards Beijing as a valuable economic partner, as it is currently Thailand's largest trading partner, and that China has shown support in propping up Thailand's economy through the 'rice for rail' deal,[377] both under the Yingluck and Prayuth governments.[378] Thailand tries to strike a fine balance in its TPP policy toward the United States and China, which is not a TPP member and advocates RCEP. Given previous U.S. leadership in TPP, and in what appeared to be Thailand's attempt to reassure Washington that it did not solely align with China economically, the government stated its interest in joining the TPP during President Obama's state visit to Thailand in 2012. Furthermore, Prime Minister Prayuth shared his government's willingness to join the TPP several times in 2016.[379] Even so, it still does not desire for the United States to take on a bigger economic role in the region.

Thailand is also more favorable to promoting ASEAN as the core regional economic institution in the region. As Thailand officially prioritizes ASEAN as the center of regional FTA negotiations, joining the TPP may undermine ASEAN centrality.[380] In this respect, Thailand has a greater interest in ASEAN-centered FTAs such as RCEP and ACFTA.[381] This was echoed by Commerce Minister Apiradi, who suggested that while Thailand could eventually join the TPP, it should focus on RCEP negotiations first.[382]

---

[377] The 'rice for rail' deal refers to an arrangement by which China will provide Thailand with high-speed rail technology and in turn will buy surplus rice from Thailand.

[378] Storey, "Thailand's Post-Coup Relations with China and America," 2;

Zha, "Personalized Foreign Policy Decision-making and Economic Dependence," 253–254.

[379] Busbarat, "Bamboo Swirling in the Wind," 250–251.

[380] Ibid.

[381] Ibid.

[382] Prashanth Parameswaran, "Does Thailand Really Want to Join The TPP?" *Diplomat*, September 16, 2015, http://thediplomat.com/2015/09/does-thailand-really-want-to-join-the-tpp/.

c. Assessment of Second Hypothesis in the Case of Thailand

Given Thailand's preference for omnidirectional hedging and its refusal to lean to either the United States or China, Thailand wants to be neutral in its bilateral security and economic relations with both great powers. Thailand is undecided about joining the TPP and does not want the United States to play a greater role in the region; to support such a role, Thailand risks being viewed as joining the United States in its China containment strategy. Thailand, on the other hand, is increasingly reliant on China economically, and it prioritizes ASEAN as the main regional institution in economic issues. These evidences strongly support the second hypothesis that countries no wanting the United States to play a bigger role in the Asia-Pacific are less likely to join the TPP.

5. Assessment of Both Hypotheses

Evidence from the Thailand case strongly support both hypotheses: it has resisted joining the TPP because of high protectionism displayed by both the domestic non-state interest groups and the government amid political turmoil; it is also reluctant to take part in the TPP talks as it does not desire the United States to play a larger security and economic role in the Asia-Pacific. In particular, Thailand does not want to be viewed as supporting the U.S. rebalance to the region at the expense of its growing economic ties with China.

E. CONCLUSION

This chapter has examined the reasons why Indonesia, the Philippines, and Thailand have not joined the TPP. Indonesia did not join the TPP because the Indonesian government elites, with personal economic interests in SOEs, domestic business groups, and NGOs are concerned that they would lose out in their competitiveness against foreign competition, and their political strength has constrained the government's political will to push ahead with the TPP. Indonesia is also hesitant to join the TPP as it does not desire the United States to replace ASEAN as the regional leader in the Asia-Pacific.

As for the Philippines, while President Aquino and the local big business community expressed interest for the country to join the TPP, the resistance from both

state and domestic interest groups regarding constitutional amendments to facilitate the country's adherence to TPP provisions has held the Philippines back from participating in the TPP. Finally, Thailand's reluctance to join the TPP has been attributed to strong protectionism from the government and domestic non-state groups, as well as the country's hedging foreign policy between the United States and China, where Thailand does not want to be viewed as supporting the U.S.' strategy to contain China's influence at the expense of its own economic dependence on China.

On balance, the evidence from the Indonesia and Thailand cases support both hypotheses that i) countries with higher levels of support for protectionism are less likely to join the TPP, and ii) countries that do not desire the United States to play a bigger role in the Asia-Pacific are less likely to join the TPP. The evidence from the Philippines case partially supports both hypotheses.

THIS PAGE INTENTIONALLY LEFT BLANK

IV. CONCLUSION

A. SUMMARY OF FINDINGS

The evidence from the case studies of Singapore, Vietnam, Indonesia, and Thailand support the first hypothesis that there is an inverse relationship between levels of support for protectionism and Southeast Asian countries' likelihood to join the TPP. Singapore has virtually no protectionist pressure from either the government or domestic interest groups, and while Vietnam has shown short-term protectionism, it has not allowed that to hinder its participation in the TPP. Both Indonesia and Thailand face strong protectionist pressure from both their respective governments and domestic interest groups that are concerned about the impact of greater foreign competition on their competitiveness. While the Philippines also faces strong protectionism from its government and domestic non-state groups, the Philippines case only partially supports this hypothesis as President Aquino and the local big business community were supportive of the TPP except for the constitutional amendments required to facilitate its entry into the trade deal. The Malaysia case does not support this hypothesis as the government continued remaining in the TPP despite moderate level of protectionist pressure from interest groups for the country to leave the trade pact.

For the second hypothesis, which looks at the direct relationship between Southeast Asian countries' desire for the United States to play a larger role in the Asia-Pacific and their likelihood of joining the TPP, the evidence from the same set of countries as the first hypothesis supports it. Both Singapore and Vietnam want to link the United States more tightly to the region because Singapore desires stability in the region, while Vietnam wants the increased U.S. presence to mitigate China's threat to Vietnam's sovereignty in the South China Sea. Both Indonesia and Thailand does not support a stronger U.S. role in the region as it does not desire for the United States to threaten ASEAN's place as the regional leader in the Asia-Pacific. The Philippines case partially supports the second hypothesis because although the Philippines under President Aquino wanted a greater U.S. role in the region to counter China's increasing assertiveness in the South China Sea, the Duterte administration has moved economically closer to China and

is less inclined to join the TPP as it does not want a stronger U.S. presence in the region. Lastly, the Malaysia case only weakly supports it as Prime Minister Najib only wants the U.S. leadership and membership in the TPP to facilitate his country's economic plans.

B. U.S. WITHDRAWAL FROM THE TPP AND ITS IMPACT ON SOUTHEAST ASIAN COUNTRIES' POSITIONS ON THE TPP

The U.S. withdrawal from the TPP signals decreased involvement in the Asia-Pacific region, at least in the economic sphere.[383] A TPP without the United States would not be a 21st century trade agreement, for which the Obama administration had been campaigning. Southeast Asian countries, especially those who are currently remaining in the 'TPP-11,' have to decide whether to push on with the ratification of the deal or turn to other regional powers, such as China, Japan, or Australia, to establish the regional economic order in the Asia-Pacific through other trade or regional economic initiatives.[384] What is certain is Southeast Asian countries' and China's enthusiasm to reach a conclusion of the ASEAN-driven RCEP by end 2017.[385] This last section discusses the varying positions of Southeast Asian countries examined in this thesis on the U.S. withdrawal from the TPP.

1. Singapore

As a key proponent of free trade and one of the TPP founders, Singapore is hugely disappointed that the United States withdrew from what would be a historic trade deal. If the deal does not go through with the remaining 11 members, Singapore would not stand to gain from an increase in shipping and trade financing services that would accompany the implementation of the TPP.[386] Although Singapore would not be one of the biggest losers from the U.S. withdrawal as it already has a bilateral FTA with the

[383] Shaun Narine, "The End of the TPP: Symptoms of American Decline and ASEAN's Response," *Institute of Southeast Asian Studies Perspective* 25 (April 19, 2017): 2.

[384] Narine, "The End of the TPP," 7;

Sanchita Basu Das, "The Future of Trade Diplomacy in East Asia," *Institute of Southeast Asian Studies Perspective* 9 (February 14, 2017): 8.

[385] Das, "The Future of Trade Diplomacy in East Asia," 8.

[386] "Alternative Trade Deal," *Philippines Daily Inquirer*, January 30, 2017, http://opinion.inquirer.net/101243/alternative-trade-deal.

United States, Singapore Trade Minister Lim Hng Kiang said that Singapore would miss out on benefits that are above and beyond the current benefits reaped from existing bilateral FTAs with nine countries in the TPP trade bloc.[387] During Singapore Prime Minister Lee's visit to Washington in August 2016, he had also pointed out that leaving the TPP would undermine U.S. leadership in Asia.[388] Regardless, Singapore has encouraged the ratification of the deal by the remaining TPP member countries.[389] Meanwhile, Singapore will continue advocating free trade and remain engaged in other regional economic initiatives, the main ones being RCEP and the AEC.[390]

2. Vietnam

Vietnam shared the same sentiments as Singapore and was sorely disappointed when the United States left the TPP.[391] Although Vietnam initially supported continuing with 'TPP11,' Vietnamese Prime Minister Nguyen Xuan Phuc was not as keen to ratify the deal because Vietnam has lost potential greater access to the U.S. market.[392] To reap the best mutual benefits, Vietnam will consider renegotiation of certain TPP provisions to its advantage, such as improving transparency of SOEs.[393] With the absence of the United States in the TPP, Vietnam looks to forming a bilateral FTA with the that country while Vietnamese companies are pursuing bilateral partnerships with American businesses, such as a deal signed between Vietjet Air and General Electric regarding a

[387] U-Wen Lee, "TPP without US a Setback, but Impact on S'pore not Significant: Hng Kiang," *Business Times*, February 7, 2017, http://www.businesstimes.com.sg/government-economy/tpp-without-us-a-setback-but-impact-on-spore-not-significant-hng-kiang.

[388] Das, "The Future of Trade Diplomacy in East Asia," 7–8.

[389] Marek Wąsiński and Damian Wnukowski, "Consequences of the U.S. Withdrawal from the Trans-Pacific Partnership," *Polish Institute of International Affairs* 87, no. 3 (June 2017): 3.

[390] Lee, "TPP without US a Setback."

[391] Tra Mi, "Trump Hails Signing of Deals Worth 'Billions' with Vietnam," Voice of America, May 31, 2017, https://www.voanews.com/a/trump-vietnam-trade-deals-white-house/3881732.html.

[392] Wąsiński and Wnukowski, "Consequences of the U.S. Withdrawal from the Trans-Pacific Partnership," 3;

Yasu Ota, "ASEAN Adjusting to a Less-Participatory US," *Nikkei Asian Review*, June 10, 2017, https://asia.nikkei.com/Spotlight/The-Future-of-Asia-2017/ASEAN-adjusting-to-a-less-participatory-US.

[393] Kentaro Iamoto, "Vietnam 'Considering' Options for TPP Renegotiation, PM Says," *Nikkei Asian Review*, June 5, 2017, https://asia.nikkei.com/Spotlight/The-Future-of-Asia-2017/Vietnam-considering-options-for-TPP-renegotiation-PM-says.

purchase of 20 jet engines made by a General Electric affiliate and a 12-year maintenance contract for a past order of 215 jet engines.[394] Even though RCEP does not provide enough impetus for Vietnam to embark on its domestic economic reforms (stemming from Vietnam's lack of a transparency or intellectual property protection framework), Vietnam Prime Minister Phuc has committed to continue economic reform that would have been required under the TPP.[395]

3. Malaysia

Contrary to Singapore, Malaysia has shown less interest in continuing its membership in the TPP given that the United States has removed itself from the trade deal.[396] According to MITI Minister Mustapa Mohamed, the TPP without the United States has made the trade deal less appealing to Malaysia as the country would lose out from gaining better access to the U.S. market.[397] Given the Trump administration's preference for bilateral trade negotiations, Malaysia has indicated its interest in securing a bilateral trade agreement with the United States since Malaysia is currently unable to reap the benefits that would have come with the U.S.-led TPP.[398] In the meantime, Malaysia has also turned its attention to RCEP as a more viable regional economic initiative, as it can gain access to huge markets such as China and India, which offers a larger market size than 'TPP11'.[399]

---

394 Atsushi Tomiyama, "Vietjet, FPT Announce US Deals," *Nikkei Asian Review,* June 2, 2017, https://asia.nikkei.com/Business/Deals/Vietjet-FPT-announce-US-deals.

395 Helen Clark, "After the TPP: Is RCEP now Plan B for Vietnam?" *Australian Strategy Policy Institute Strategist*, December 5, 2016, https://www.aspistrategist.org.au/tpp-rcep-now-plan-b-vietnam/.

396 "Malaysia Less Interested in TPPA with US Withdrawal," Bernama, March 14, 2017, http://www.theborneopost.com/2017/03/14/malaysia-less-interested-in-tppa-with-us-withdrawal/.

397 Ibid.

Pradumna B. Rana and Ji Xianbai, "TPP12 vs TPP11: Gainers and Losers," *S. Rajaratnam School of International Studies Commentary* 29 (February 15, 2017).

398 Das, "The Future of Trade Diplomacy in East Asia," 3.

399 "Bullish Trump's Gift to China," *Independent Online (South Africa)*, January 27, 2017, retrieved from ProQuest;

Isabel Reynolds and Michael Heath, "Australia Pushes for TPP Without US after President Donald Trump Exits Deal," *Bloomberg*, January 25, 2017, https://www.bloomberg.com/news/articles/2017-01-24/australia-leads-push-for-tpp-without-u-s-after-trump-exits-deal;

4. Indonesia

After the U.S. withdrawal from the TPP, Indonesia's position on this trade deal shifted from hesitance to a loss of interest.[400] Indonesian Vice President Jusuf Kalla stated that there was little incentive for Indonesia to join the TPP as there are not many benefits for the country to reap with the United States out of the trade bloc.[401] Furthermore, the existing bilateral and multilateral trading agreements that Indonesia has with some TPP members decreases the motivation for Indonesia to participate in the TPP. Kalla continues to push for the RCEP as this RTA, as compared to the TPP, is led by ASEAN.[402] Indonesian Trade Minister Enggartiasto Lukita echoed Kalla's stance on the RCEP, explaining that this trade deal would be more strategic for Indonesia as it is expected to bring greater international market access to the country relative to joining the TPP.[403]

5. The Philippines

Similar to Indonesia, the Philippines has also become disinterested in joining the TPP after the United States announced its withdrawal from the RTA, as it would not stand to benefit from increased trade with that country via the TPP.[404] It has now shifted its attention to the RCEP, which Finance Secretary Carlos Dominguez has said he would want to study closer as the Philippines expects to gain advantages from this deal through reduced tariffs and non-tariff barriers.[405] Dominguez added that the focus on RCEP would be aligned with President Duterte's foreign policy toward regional economic

---

Embun Majid, "With TPP on the Rocks, M'sia Turns to RCEP as Alternative," *New Straits Times*, January 23, 2017, https://www.nst.com.my/news/2017/01/206600/tpp-rocks-msia-turns-rcep-alternative.

400 Shotaro Tani, "Indonesia Has 'Lost Interest' in TPP without US, Vice President Says," *Nikkei Asian Review*, June 5, 2017, https://asia.nikkei.com/Spotlight/The-Future-of-Asia-2017/Indonesia-has-lost-interest-in-TPP-without-US-vice-president-says.

401 Tani, "Indonesia Has 'Lost Interest' in TPP without US."

402 Ibid.

403 Hendra Kurniawan, "What Is the Impact of the U.S. Withdrawal from the TPP on Indonesia?" Thomson Reuters, June 23, 2017, https://tax.thomsonreuters.com/blog/onesource/what-is-the-impact-of-the-u-s-withdrawal-from-the-tpp-on-indonesia/.

404 "Alternative Trade Deal."

405 Ibid.

integration with ASEAN and other Asian regional powers such as China, Japan, and South Korea.[406] For developing countries like the Philippines, it would gain directly more from reduction of tariffs instead of expending resources on negotiating and abiding by stricter trade and investment regulations.[407]

6. Thailand

The U.S. withdrawal from the TPP has little impact on Thailand as the country has not signed on to this trade deal because Thailand faces difficulty in meeting the tough TPP requirements, especially in the pharmaceutical and agriculture industries.[408] While the general U.S. trade policy is uncertain at this point in time, Commerce Minister Apiradi stated that Thailand could take the bilateral route and pursue trade and investment talks with the United States through the Trade and Investment Framework Agreement and the Thailand-U.S. Amity Treaty.[409] In terms of regional economic initiatives, Thailand will more likely turn to ASEAN-led ones such as RCEP and China-led ones such as its 'One Belt One Road' initiative, as ASEAN would stand to benefit from greater goods and services travel when China develops key infrastructure between China and Europe.[410]

C. LIKELIHOOD OF THE TPP BEING REVIVED WITHOUT THE UNITED STATES

With the United States out of the TPP, Southeast Asian nations currently part of TPP such as Vietnam and Malaysia have fewer incentives to ratify the deal because they

---

406 Ibid.

407 Ryohei Yaoshima and Jun Yamazaki, "'TPP 11' Are Working to Save the Trade Deal, but Members Remain Far Apart," *Nikkei Asian Review*, May 25, 2017, https://asia.nikkei.com/magazine/20170525/Politics-Economy/TPP-11-are-working-to-save-the-trade-deal-but-members-remain-far-apart.

408 "Thailand to Be Indirectly Affected in Trump's Era: Experts," Xinhua, January 22, 2017, http://news.xinhuanet.com/english/2017-01/22/c_136002663.htm.

409 Phusadee Arunmas, "Trump Impact Minimal," *Bangkok Post*, January 24, 2017, https://www.pressreader.com/thailand/bangkok-post/20170124/281994672202016;

Petchanet Pratruangkrai, "Thai Exports Could Benefit, Face Risks from Trump Policies," *Nation*, January 25, 2017, http://www.nationmultimedia.com/news/business/EconomyAndTourism/30304817.

410 Ota, "ASEAN Adjusting to a Less-Participatory US."

would not to stand to benefit as much with the loss of access to the large U.S. market. Even if Vietnam and Malaysia could renegotiate certain provisions in TPP11 to their advantage, they would prefer to rely on the bilateral track to gain access to the U.S. market, and would be less enthusiastic about reviving the TPP. While the remaining 11 countries have targeted to conclude talks on an alternative TPP arrangement without the United States by November this year, and despite key countries such as Japan, Singapore, Australia and New Zealand wanting to push ahead with the TPP11, the likelihood of the TPP revival is considerably low at this point, or at least the rate of progress of TPP talks would be slow, given that the other member nations have either expressed ambivalence or remained silent on the issue. These countries would most likely turn their attention to other multilateral trade arrangements, or seek bilateral trade pacts directly with the United States.

THIS PAGE INTENTIONALLY LEFT BLANK

LIST OF REFERENCES

Aggarwal, Vinod K. “Introduction: The Rise of Mega-FTAs in the Asia-Pacific.” *Asian Survey* 56, no. 6 (November 2016): 1005–1016.

Ali, Rashaad. “TPP and Malaysia: New Reality, Missed Opportunity.” *S. Rajaratnam School of International Studies Commentary*. No. 292 (December 1, 2016).

Amindoni, Ayomi. “TPP Contravenes Constitution: Lawmaker,” *Jakarta Post*. February 4, 2016. http://www.thejakartapost.com/news/2016/02/04/tpp-contravenes-constitution-lawmaker.html.

———. “TPP Does not Protect National Interests: NGO.” *Jakarta Post*. November 20, 2015. http://www.thejakartapost.com/news/2015/11/20/tpp-does-not-protect-national-interests-ngo.html.

Antaranews.com. “Indonesia not in a Hurt to Join TPP: President.” November 19, 2011. http://www.antaranews.com/en/news/77762/indonesia-not-in-a-hurry-to-join-tpp-president.

Arunmas, Phusadee. “TPP Would Boost Economy by 0.77%, Says Study.” *Bangkok Post*. January 29, 2016. http://www.bangkokpost.com/print/843860/.

———. “Trade Pacts: Torn between Two Giants.” *Bangkok Post*. November 23, 2015. http://www.bangkokpost.com/print/773560/.

———. “Trump Impact Minimal.” *Bangkok Post*. January 24, 2017. https://www.pressreader.com/thailand/bangkok-post/20170124/281994672202016.

ASEAN. “The Philippines’ Economic and Political Relations with China.” ASEAN Briefing, April 10, 2017. http://www.aseanbriefing.com/news/2017/04/10/philippines-economic-political-relations-china.html.

Asia Regional Integration Centre. “Free Trade Agreements.” Accessed August 1, 2017. https://aric.adb.org/fta-country.

———. “Pakistan-Indonesia Free Trade Agreement.” Accessed July 1, 2017. https://aric.adb.org/fta/pakistan-indonesia-free-trade-agreement.

Au-Yong, Rachel. “Delays in TPP ‘Could Affect US Presence in Asia’.” *Straits Times*. September 21, 2014. Retrieved from LexisNexis.

Beech, Hannah. “Q and A: Philippines President Benigno Aquino III on China, the U.S. – and Duterte.” *Time*. May 19, 2016. http://time.com/4341715/q-and-a-philippines-president-benigno-aquino-iii/.

Bernama. “Malaysia Less Interested in TPPA with US Withdrawal.” *Borneo Post*. March 14, 2017. http://www.theborneopost.com/2017/03/14/malaysia-less-interested-in-tppa-with-us-withdrawal/.

Bisara, Dion. “‘Benefits of Free Trade Outweigh Disadvantages’: Philippines Trade Minister.” *Jakarta Globe*. October 14, 2013. http://paywall.thejakartaglobe.com/business/benefits-of-free-trade-outweigh-disadvantages-philippines-trade-minister/.

Bokarev, Dmity. “Thailand between the TPP and the EAEU.” *New Eastern Outlook*. November 20, 2016. http://journal-neo.org/2016/11/20/thailand-between-the-tpp-and-the-eaeu/.

Bower, Ernest Z. “Getting Malaysia Right: Presidential Prerogative.” Center for Strategic and International Studies. March 6, 2014. https://www.csis.org/analysis/getting-malaysia-right-presidential-prerogative.

Bryan Cave Consulting. “Thailand in the TPP?” Accessed June 11, 2016. http://www.isit.or.th/uploads/trademeasures/618-file.pdf.

Burgess, Stephen F. “Rising Bipolarity in the South China Sea: The American Rebalance to Asia and China’s Expansion.” *Contemporary Security Policy* 37, no. 1 (March 23, 2016): 111–143. doi: 10.1080/13523260.2016.1149968.

Busbarat, Pongphisoot. “Bamboo Swirling in the Wind”: Thailand’s Foreign Policy Imbalance between China and the United States.” *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* 38, no. 2 (August 2016): 233–257.

Bush, Robin. “Indonesia in 2015.” *Southeast Asian Affairs* (2016): 131–144.

Capling, Ann, and John Ravenhill. “Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?” *Pacific Review* 24, no. 5 (December 2011): 553–575

Carpio, Antonio T. “What’s at Stake in Our Case vs China.” *Rappler.com*. March 9, 2014. https://www.rappler.com/thought-leaders/52540-philippines-case-china-carpio.

Chalk, Peter. “The Eagle Has Landed: The US Rebalance to Southeast Asia.” *Australian Strategy Policy Institute* (June 2016): 1–44.

Chia, Yan Min. “How Trade Accords Benefit Singapore.” *Straits Times.* October 11, 2015. http://www.straitstimes.com/business/economy/how-trade-accord-benefits-singapore.

———. “TPP: What’s in It for Singapore?” *Straits Times.* October 14, 2015. http://www.straitstimes.com/business/economy/tpp-whats-in-it-for-singapore.

Chong, Zi Liang. “TPP Offers New Opportunities, Negative Impact Will Be Muted: PM Lee.” *Straits Times.* November 20, 2015. http://www.straitstimes.com/singapore/tpp-offers-new-opportunities-negative-impact-will-be-muted-pm-lee.

———. “Great Loss if TPP Does not Come to Fruition: PM Lee.” *Straits Times.* November 21, 2016. http://www.straitstimes.com/politics/great-loss-if-tpp-does-not-come-to-fruition-pm-lee.

Cigaral, Ian Nicolas P. “Duterte Backs China’s RCEP.” *Business World*. August 9, 2017. http://www.bworldonline.com/content.php?section=Economy&title=duterte-backs-china&8217s-rcep&id=149525.

Clark, Helen. “After the TPP: Is RCEP now Plan B for Vietnam?” *Australian Strategy Policy Institute Strategist*. December 5, 2016. https://www.aspistrategist.org.au/tpp-rcep-now-plan-b-vietnam/.

Cochrane, Joe. “Indonesia to Decide on Joining TPP.” *New York Times*. October 25, 2015. https://www.nytimes.com/2015/10/26/world/asia/joko-widodo-indonesia-washington-trans-pacific-partnership.html?mcubz=3.

Crockett, Antony. “Could Indonesia Join the TPP?” *Kluwer Arbitration Blog*. February 23, 2016. http://kluwerarbitrationblog.com/2016/02/23/could-indonesia-join-the-tpp/.

Dagmar, Wolf. “Beyond Trade.” Development and Cooperation. June 17, 2015. https://www.dandc.eu/en/article/philippines-decision-join-tpp-may-depend-geopolitical-concerns-rather-trade-deals-merits-and.

Damuri, Yose Rizal. “Trade Policy in Swing: Indonesia’s Attitude to Liberalization and the TPP.” *East Asia Forum*. March 19, 2014. http://www.eastasiaforum.org/2014/03/19/trade-policy-in-swing-indonesias-attitude-to-liberalisation-and-the-tpp/.

Das, Sanchita Basu. “RCEP and TPP: Comparisons and Concerns.” *Institute of Southeast Asian Studies* (2013): 362–365.

———. “The Future of Trade Diplomacy in East Asia.” *Institute of Southeast Asian Studies Perspective* 9 (February 14, 2017): 1–8.

———. “The Trans-Pacific Partnership as a Tool to Contain China: Myth or Reality?” *East Asia Forum*. June 8, 2013. http://www.eastasiaforum.org/2013/06/08/the-trans-pacific-partnership-as-a-tool-to-contain-china-myth-or-reality/.

Delavin, Imee Charlee C. and Mikhail Franz E. Flores. “Obama Caps Asian Tour, Supports Manila.” *Business World*. April 30, 2014. Retrieved from LexisNexis.

Desker, Barry. “The Eagle and the Panda: An Owl’s View from Southeast Asia.” *Asia Policy* 15 (January 2013): 26–30.

Drysdale, Peter. “Vietnam’s Pivot to the West?” *East Asia Forum*. December 21, 2015. http://www.eastasiaforum.org/2015/12/21/vietnams-pivot-to-the-west/.

Dy, Rolando T. “Trans-Pacific Partnership: What It Means for Philippine Agribusiness.” *Business World.* November 10, 2015. http://www.bworldonline.com/content.php?section=Opinion&title=trans-pacific-partnership-what-it-means-for-philippine-agribusiness&id=118343.

Edelman. “Indonesia and the TPP, a Losing Game?” Accessed August 1, 2017. https://www.edelman.id/TPP/?p=93.

Eos Intelligence. “Garments and Textiles in Vietnam – Is the Future as Bright as the Past?” June 5, 2015. http://www.eos-intelligence.com/perspectives/?p=1535.

Export.gov. “Indonesia – Trade Agreements.” August 1, 2017. https://www.export.gov/article?id=Indonesia-Trade-Agreements.

———. “Philippines – Trade Agreements.” July 17, 2017, https://www.export.gov/article?id=Philippines-Trade-Agreements

———. “Thailand – Trade Agreements.” July 18, 2017. https://www.export.gov/article?id=Thailand-trade-agreements.

———. “Vietnam – Trade Agreements.” July 19, 2017. https://www.export.gov/article?id=Vietnam-Trade-Agreements.

FTA Watch. “FTA Watch’s TPP Proposals to the Commerce Minister.” BioThai. May 31, 2016. http://www.biothai.org/node/1424.

Graham, Euan. “Singapore’s Existential Serve on the TPP.” Lowy Institute. August 3, 2016. https://www.lowyinstitute.org/the-interpreter/singapore-s-existential-serve-tpp.

Greitens, Sheena Chestnut. “The U.S. Alliance with the Philippines: Opportunities and Challenges.” In *Strategic Asia 2014-15: U.S. Alliances and Partnerships at the Center of Global Power*. Seattle and Washington D.C.: The National Bureau of Asian Research, 2014.

Guardian. “Indonesia Will Join Trans-Pacific Partnership, Jokowi Tells Obama.” October 26, 2015. https://www.theguardian.com/world/2015/oct/27/indonesia-will-join-trans-pacific-partnership-jokowi-tells-obama.

Hamanaka, Shintaro. “TPP versus RCEP: Control of Membership and Agenda Setting.” *Journal of East Asian Economic Integration* 18, no. 2 (June 2014): 163–186.

Hasegawa, Masanori. “Close Economic Exchange with a Threatening State: An Awkward Dilemma over China.” *Asian Security (April 18, 2017):* 1–17. doi: 10.1080/14799855.2017.1312348.

Heriyanto, Devina. “Q&A: Trans Pacific Partnership.” *Jakarta Post*. May 11 2016. http://www.thejakartapost.com/academia/2016/05/11/qa-trans-pacific-partnership.html.

Herman, Steve. “Thailand Tipping Toward TPP.” VOA. June 1, 2016. http://www.voanews.com/a/thailand-tipping-towards-tpp/3356750.html.

Hiebert, Murray. “Amending Vietnam’s Constitution: Why Washington Cares.” Center for Strategic and International Studies. October 31, 2013.

———. “Crises Might Spare Najib, But Will Hobble Malaysia’s International Engagement.” Center for Strategic and International Studies. September 3, 2015. https://www.csis.org/analysis/crises-might-spare-najib-will-hobble-malaysia%E2%80%99s-international-engagement.

Hunter, Alice. “11 Things Malaysians Should Know about the Trans-Pacific Partnership.” Businesscircle.com.my. May 27, 2014. http://www.teraju.gov.my/wp-content/uploads/2014/05/TERAJU20140527-businesscircle.com_.my-11-Things-Malaysians-Should-Know-About-The-Trans-Pacific-Partnership-TPP-Negotiations.pdf.

Huong, Le Thu. “Vietnam’s Precarious Strategic Balancing Act.” *East Asia Forum*. July 5, 2014. http://www.eastasiaforum.org/2014/07/05/vietnams-precarious-strategic-balancing-act/.

Iamoto, Kentaro. “Vietnam ‘Considering’ Options for TPP Renegotiation, PM Says.” *Nikkei Asian Review*. June 5, 2017. https://asia.nikkei.com/Spotlight/The-Future-of-Asia-2017/Vietnam-considering-options-for-TPP-renegotiation-PM-says.

Independent Online (South Africa). “Bullish Trump’s Gift to China.” January 27, 2017. Retrieved from ProQuest.

Indonesia-Investments. “Indonesia & Free Trade Agreements: Indonesia-EU CEPA, TPP & EFTA.” February 10, 2016, https://www.indonesia-investments.com/news/news-columns/indonesia-free-trade-agreements-indonesia-eu-cepa-tpp-efta/item6484.

———. “Trans-Pacific Partnership: Should Indonesia Join or Not?” November 4, 2015. https://www.indonesia-investments.com/news/todays-headlines/trans-pacific-partnership-should-indonesia-join-or-not/item6122?.

International Enterprise Singapore. “Singapore Free Trade Agreements.” April 22, 2017. https://www.iesingapore.gov.sg/Trade-From-Singapore/International-Agreements/free-trade-agreements/Singapore-FTA.

Iswaran, S. “Keynote Speech by 2nd Minister for Trade & Industry, S. Iswaran, at the CSIS Singapore Conference.” *Singapore Ministry of Foreign Affairs*. February 8, 2012. https://www.mfa.gov.sg/content/mfa/overseasmission/washington/newsroom/press_statements/2012/201202/press_20120208_03.html.

Jandl, Thomas. “It’s Time for Domestic Changes in Vietnam.” *East Asia Forum*. December 20, 2015. http://www.eastasiaforum.org/2015/12/20/its-time-for-domestic-changes-in-vietnam/.

Jakarta Globe. “Yudhoyono to Joko: Don’t Force Indonesia to Enter TPP.” *Today*, October 31, 2015. http://www.todayonline.com/world/asia/yudhoyono-joko-dont-force-indonesia-enter-tpp.

Jakarta Post. “U.S.-ASEAN Businessmen Lobby Indonesia on TPP.” June 25, 2013. http://www.thejakartapost.com/news/2013/06/25/us-asean-businessmen-lobby-indonesia-tpp.html.

Jennings, Ralph. “Why Malaysia Stays Quiet about Its Claims in the South China Sea.” *Forbes*. June 2, 2015. http://www.forbes.com/sites/ralphjennings/2016/06/02/why-malaysia-stays-quiet-about-its-claims-in-the-disputed-south-china-sea/#653152e61beb.

Klose, Martin. “Trans Pacific Partnership and Its Implications on Thailand,” Roedl & Partner, November 10, 2015, http://www.roedl.com/locations/asiapacific/thailand/trans_pacific_partnership_tpp_and_its_implications_on_thailand.html

Kuik, Cheng-Chwee. “Malaysia’s Balancing Act.” *New York Times*, December 6, 2015. http://www.nytimes.com/2015/12/07/opinion/malaysias-balancing-act.html?_r=0.

———. “The Essence of Hedging: Malaysia and Singapore’s Response to a Rising China.” *Contemporary Southeast Asia* 30, no. 2 (August 2008): 159–185.

———. “Malaysia’s US Policy under Najib: Structural and Domestic Sources of a Small State’s Strategy.” *Asian Security* 9, no. 3 (2013): 143–164.

Kumsumadewi, Ranitya. “Weighing Costs and Benefits of Joining TPP for Indonesia.” *Conversation*. March 6, 2016. https://theconversation.com/weighing-the-costs-and-benefits-of-joining-tpp-for-indonesia-54376.

Kurlantzick, Joshua. “The Philippines, Thailand, South Korea and Taiwan: Joining TPP?” *National Interest*, June 30, 2015. http://nationalinterest.org/blog/the-buzz/the-philippines-thailand-south-korea-taiwan-joining-tpp-13226.

———. “What Will the TPP Mean for Southeast Asia?” Council on Foreign Relations. June 25, 2015. https://www.cfr.org/blog-post/what-will-tpp-mean-southeast-asia.

Kurniawan, Hendra. “What Is the Impact of the U.S. Withdrawal from the TPP on Indonesia?” Thomson Reuters. June 23, 2017. https://tax.thomsonreuters.com/blog/onesource/what-is-the-impact-of-the-u-s-withdrawal-from-the-tpp-on-indonesia/.

Kwok, Yenni. “Indonesian President Jokowi Visits the Natuna Islands to Send a Strong Signal to China.” *Time*, June 22, 2016. http://time.com/4379401/indonesia-china-jokowi-natuna-sovereignty-maritime-fishing-dispute/.

Lane, Max. “Amidst Indonesia’s Nationalist Atmospherics: The Changing Politics of Jokowi’s Economics.” *ISEAS-Yusof Ishak Institute Perspective* 64 (November 6, 2015): 1–10.

Le, Hong Hiep. “Reviewing Vietnam’s Economic Reforms since the CPV’s Twelfth Congress.” *Institute of Southeast Asian Studies Perspective.* No. 2 (January 5, 2017): 1–8.

———. “The TPP’s Impact on Vietnam: A Preliminary Assessment.” *Institute of Southeast Asian Studies Perspective.* No. 63 (November 4, 2015): 1–13.

———. “The US-Vietnam Comprehensive Partnership: Key Issues and Implications.” East Asia Forum. August 6, 2013. http://www.eastasiaforum.org/2013/08/06/the-us-vietnam-comprehensive-partnership-key-issues-and-implications/

———. “Vietnam’s Strategic Trajectory: From internal development to external engagement.” *Australian Strategic Policy Institute*. June 2012.

———. “The Vietnam-US-China Triangle: New Dynamics and Implications.” *Institute of Southeast Asian Studies Perspective.* No. 45 (August 25, 2015): 1–11.

Lee, Cassey. , “Why Is Malaysia So Interested in Joining the TPP?” *Institute of Southeast Asian Studies Perspective.* No. 14 (March 9, 2015): 1–17.

Lee, Seungjoo. “Institutional Balancing and the Politics of Mega-FTAs in East Asia.” *Asian Survey* 56, no. 6 (November/December 2016): 1055–1076.

Lee, U-Wen. “TPP without US a Setback, but Impact on S’pore not Significant: Hng Kiang.” *Business Times*, February 7, 2017. http://www.businesstimes.com.sg/government-economy/tpp-without-us-a-setback-but-impact-on-spore-not-significant-hng-kiang.

London, Jonathan D. “Is Vietnam on the Verge of Change?” *Current History* 114, no. 773 (2015): 229–235.

Low, Aaron. “Failure of TPP Will Be Blow to Free Trade and Singapore.” *Straits Times*, August 24, 2016. http://www.straitstimes.com/business/failure-of-tpp-will-be-blow-to-free-trade-and-spore.

Luong. Dien. “Why Vietnam Loves the Trans-Pacific Partnership.” *Diplomat*. March 16, 2016. http://thediplomat.com/2016/03/why-vietnam-loves-the-trans-pacific-partnership/.

Mahmood, Kazi. “TPP Pact Sparks Fears among M’sian NGOs, Malay Community.” *Malaysian Reserve*, May 2, 2013. Retrieved from LexisNexis.

Malaysia Ministry of International Trade and Industry. “Brief on the Trans-Pacific Partnership (TPP).” Accessed July 9, 2017. http://www.miti.gov.my/miti/resources/fileupload/TPP%20-%20Briefing%20Notes%20-%20Website%20(FINALrev1).pdf.

———. “Trans-Pacific Partnership (TPP) FTA.” May 25, 2015. http://www.miti.gov.my/index.php/pages/view/2204.

Mazza, Michael. “With Rodrigo Duterte in Power, What Hope Is There for U.S.-Philippines Relations?” *Forbes*, May 4, 2017. https://www.forbes.com/sites/insideasia/2017/05/04/trumps-white-house-invitation-to-philippines-president-rodrigo-duterte-foolish-or-forward-thinking/#733cd08325ef.

Ministry of Foreign Affairs of Japan. “Joint Press Statement on the Occasion of the Entry into Force of the Agreement between Japan and the Socialist Republic of Viet Nam for an Economic Partnership.” October 1, 2009. http://www.mofa.go.jp/region/asia-paci/vietnam/epa0910/joint.html.

Ministry of Industry and Trade of the Socialist Republic of Vietnam. “Negotiating the Trans-Pacific Partnership (TPP).” November 19, 2012. http://www.moit.gov.vn/web/guest/tin-chi-tiet/-/chi-tiet/%C4%91am-phan-hiep-%C4%91inh-%C4%91oi-tac-kinh-te-xuyen-thai-binh-duong-tpp--2607-72.html.

Murphy, Ann Marie. “Indonesia’s Partnership with the United States: Strategic Imperatives versus Domestic Obstacles.” In *Strategic Asia 2014-15: U.S. Alliances and Partnerships at the Center of Global Power*. Seattle and Washington D.C.: The National Bureau of Asian Research, 2014.

Nambiar, Shankaran. “Is the TPP Really a Leap Forward for Malaysia?” East Asia Forum. February 13, 2016. http://www.eastasiaforum.org/2016/02/13/is-the-tpp-really-a-leap-forward-for-malaysia/.

———. “Obama Gets Down to Business in Malaysia.” East Asia Forum. July 1, 2014. http://www.eastasiaforum.org/2014/05/23/obama-gets-down-to-business-in-malaysia/.

———. “The TPP: Najib Razak’s Gordian Knot.” *New Mandala*. July 1, 2014. http://www.newmandala.org/the-tpp-najib-razaks-gordian-knot/.

Narine, Shaun. “The End of the TPP: Symptoms of American Decline and ASEAN’s Response.” *Institute of Southeast Asian Studies Perspective* 25 (April 19, 2017): 1–8.

Nation. “Malaysians Say Trade Deal ‘Suspicious.’” January 24, 2016. Retrieved from LexisNexis.

Nguyen, Manh Hung. “New Context of Vietnam’s National Security Challenges.” *Institute of Southeast Asian Studies Trends in Southeast Asia*. No. 17 (2016): 1–33.

Norcross, David. “Will the TPP Free Trade Agreement Have a Negative Effect on Thailand?” *Asian Correspondent*, November 30, 2015. https://asiancorrespondent.com/2015/11/will-the-tpp-free-trade-agreement-have-a-negative-effect-on-thailand/.

Okun, Steven and Deborah Elms. “PM Lee Is Right – This US Congress Must Pass the TPP.” *Straits Times*, August 24, 2016. http://www.straitstimes.com/opinion/pm-lee-is-right-this-us-congress-must-pass-the-tpp-economicaffairs.

Ota, Yasu. “ASEAN Adjusting to a Less-participatory US.” *Nikkei Asian Review*, June 10, 2017. https://asia.nikkei.com/Spotlight/The-Future-of-Asia-2017/ASEAN-adjusting-to-a-less-participatory-US.

Pagaduan-Araullo, Carol. “Defending Economic Sovereignty.” *Business World*, April 25, 2014. http://www.bworldonline.com/content.php?section=Opinion&title=defending-economic-sovereignty&id=86498.

Panaspornprasit, Chookiat. “Thailand: Historical and Indefinite Transitions,” *Southeast Asian Affairs* (2017): 353–366.

Parameswaran, Prashanth. “Between Aspiration and Reality: Indonesian Foreign Policy after the 2014 Elections.” *Washington Quarterly* 37, no. 3 (November 10, 2014): 153–165. doi: 10.1080/0163660X.2014.978441.

———. “Does Thailand Really Want to Join The TPP?” *Diplomat*, September 16, 2015. http://thediplomat.com/2015/09/does-thailand-really-want-to-join-the-tpp/.

———. “How Significant Is the 2017 US-Philippines Balikatan Military Exercise?” *Diplomat*, May 16, 2017. http://thediplomat.com/2017/05/how-significant-is-the-2017-us-philippines-balikatan-military-exercise/.

———. “Malaysia Slam China’s South China Sea Encroachments.” *Diplomat*, November 17, 2015. http://thediplomat.com/2015/11/malaysia-slams-chinas-south-china-sea-encroachments/.

———. “Opportunities and Challenges in Strengthening US-Singapore Ties.” East Asia Forum. September 3, 2016. http://www.eastasiaforum.org/2016/09/03/opportunities-and-challenges-in-strengthening-us-singapore-ties/.

———. “The New U.S.-Indonesia Strategic Partnership after Jokowi’s Visit: Problems and Prospects.” Brookings. December 8 2015. https://www.brookings.edu/opinions/the-new-u-s-indonesia-strategic-partnership-after-jokowis-visit-problems-and-prospects/.

Petri, Peter A. and Michael G. Plummer. “ASEAN Centrality and the ASEAN-US Economic Relationship.” *Policy Studies* 69, (2013): 1–52.

Petri, Peter A. and Plummer, Michael G. “The Economic Effects of the Trans-Pacific Partnership: New Estimates.” *Peterson Institute for International Economics*, January 2016: 1-33.

Phakdeewanich, Titipol. “The Challenging Circumstances and Future Prospects for Thai Rice Farmers,” *Kyoto Review*, March 2015. https://kyotoreview.org/yav/the-challenging-circumstances-and-future-prospects-for-thai-rice-farmers/.

Philippine Star. “Business Community Favors Philippines Joining TPP.” April 14 2016. http://www.philstar.com/business-usual/2016/04/04/1569052/business-community-favors-philippines-joining-tpp.

Philippines Daily Inquirer. “Alternative Trade Deal.” January 30, 2017. http://opinion.inquirer.net/101243/alternative-trade-deal.

Phuong, Nguyen. “Vietnam in 2016: Searching for a New Ethos.” *Southeast Asian Affairs* (2017): 407–420.

Pillas, Catherine. “Torn between U.S.-led TPP and China-initiated RCEP.” *Business Mirror (Philippines)*, December 1, 2015. http://www.businessmirror.com.ph/torn-between-u-s-led-tpp-and-china-initiated-rcep/.

Pincus, Jonathan. Vietnam: In Search of a New Growth Model.” *Southeast Asian Affairs* (2016): 379–397.

Pratruangkrai, Petchanet. “Thai Exports Could Benefit, Face Risks from Trump Policies,” *Nation*. January 25, 2017. http://www.nationmultimedia.com/news/business/EconomyAndTourism/30304817.

Rakhmat, Muhammad Zulfikar. “To TPP or not to TPP – That iI Jokowi’s Question.” New Mandala. March 1, 2016. http://www.newmandala.org/to-tpp-or-not-to-tpp-that-is-jokowis-question/.

Rana, Pradumna B. and Ji, Xianbai. “TPP12 vs. TPP11: Gainers and Losers.” *S. Rajaratnam School of International Studies Commentary* 29 (February 15, 2017).

Rappler.com. “Aquino Presses PH Inclusion in Pacific Trade Deal.” April 28, 2014. http://www.rappler.com/business/economy-watch/56626-aquino-obama-philippines-trans-pacific-partnership.

Ravenhill, John. “The Political Economy of an “Asian” Mega-FTA: The Regional Comprehensive Economic Partnership.” *Asian Survey* 56, no. 6 (November/December 2016): 1077–1100.

Reeves, Holly. “TPP: It’s Make or Break for Thailand.” *ASEAN Today*, May 10, 2016. https://www.aseantoday.com/2016/05/tpp-make-or-break-for-thailand/

Remo, Amy R. “Charter Said to Hinder PH Bid to Join Crucial Bloc.” *Philippine Daily Inquirer*, November 10, 2013. http://business.inquirer.net/151735/charter-said-to-hinder-ph-bid-to-join-crucial-bloc.

Republic of the Philippines Department of Trade and Industry. “Philippines-European Free Trade Association (EFTA) Free Trade Agreement (FTA).” Accessed August 1, 2017. http://www.dti.gov.ph/international-commitments/bilateral-engagements/efta-fta.

———. “Philippines-European Union (EU) Free Trade Agreement (FTA).” Accessed August 1, 2017. http://www.dti.gov.ph/international-commitments/bilateral-engagements/eu-fta.

———. “Philippines-Japan Economic Partnership Agreement (PJEPA).” Accessed August 1, 2017. http://www.dti.gov.ph/international-commitments/bilateral-engagements/pjepa.

Robison, Richard, and Vedi R. Hadiz. “Indonesia: A Tale of Misplaced Expectations.” *Pacific Review* (April 10, 2017): 1–15. doi: 10.1080/09512748.2017.1306578.

Rogerson, Evan. “New Nationalism in Trade: Regional Responses.” *S. Rajaratnam School of International Studies Commentary*, No. 103 (May 25, 2017).

Rogowski, Ronald. “Commerce and Coalitions: How trade affects domestic political alignments.” In *International Political Economy: Perspectives on Global Power and Wealth.* Princeton, NJ: Princeton University Press, 2000.

Romero, Alexis. “Duterte Rejects Trans-Pacific Partnership Deal.” *Philstar*, December 15, 2016. http://www.philstar.com/business/2016/12/15/1653437/duterte-rejects-trans-pacific-partnership-deal.

RT. “Never Mind the Constitution: Obama, Aquino Love the TPP.” November 18, 2015. https://www.rt.com/usa/322626-obama-aquino-tpp-constitution/.

Ryding, Paul. “An Exiled Leader Breaks His Silence: A Conversation with Thaksin Shinawatra.” *World Policy Journal* 33, no. 2 (Summer 2016): 57–61.

Saclag, Daryll D. “Businessmen Mixed on Country’s TPP Bid.” *Business World*, February 3, 2014. http://www.bworldonline.com/content.php?section=TopStory&title=Businessmen-mixed-on-country%E2%80%99s-TPP-bid&id=82881.

Sahu, Pritish Kumar. “Insight: Trans-Pacific Partnership: Should Indonesia Join It or Not?” *Jakarta Post*. February 18, 2016. http://www.thejakartapost.com/news/2016/02/18/insight-trans-pacific-partnership-should-indonesia-join-it-or-not.html.

———. “The Many Hidden Costs of Joining the TPP.” *Bangkok Post*, June 1, 2016. http://www.bangkokpost.com/archive/the-many-hidden-costs-of-joining-the-tpp/996929.

Schott, Jeffrey J., Barbara Kotschwar, and Julia Muir. *Understanding the Trans-Pacific Partnership*. Washington, DC: Peterson Institute for International Economics, 2013.

Shira, Dezan, and Associates. “Masterplan Acceleration and Expansion of Indonesia Economic Development 2011-2025.” ASEAN Briefing. 2011. http://www.aseanbriefing.com/userfiles/resources-pdfs/Indonesia/FDI/ASEAN_Indonesia_Master%20Plan%20Acceleration%20and%20Expansion%20of%20Indonesia%20Economic%20Development%202011-2025.pdf.

Sicat, Gerardo P. “TPP Beneficial for Philippine Economic Progress.” *Philstar*, October 28, 2015. http://www.philstar.com/business/2015/10/28/1515538/tpp-beneficial-philippine-economic-progress.

Simon, Sheldon. “US-Southeast Asia Relations: Commitment Concerns.” *Comparative Connections* 17, no. 3 (January 2016): 47–60.

Singapore Business Federation. “SBF Urges Asian Businesses to Call on Their Respective Governments to Support the Trans Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP) at the 6th Asian Business Summit.” July 14, 2015. http://www.sbf.org.sg/sbf-urges-support-for-tpp-rcep.

Singapore Ministry of Trade and Industry. “Trans Pacific Partnership Free Trade Agreement (TPP): 7 Things You Should Know.” October 5, 2015. https://www.mti.gov.sg/MTIInsights/SiteAssets/Pages/TPP/Seven%20things%20you%20should%20know%20about%20the%20TPP%20(Final).pdf

Singh, Malminderjit. “Singapore to Host TPP Free Trade Talks from Monday.” *Business Times*, March 2, 2013. Retrieved from LexisNexis.

Sison, Jose Maria. “U.S. and Philippines: How Strategic Is the Partnership?” *Aljazeera*. April 28, 2014. http://www.aljazeera.com/indepth/opinion/2014/04/us-philippines-how-strategic-pa-201442871034598657.html.

Spetalnick, Matt. “U.S. Lifts Arms Ban on Old Foe Vietnam as China Tensions Simmer.” Reuters. May 21, 2016. http://www.reuters.com/article/us-vietnam-obama-idUSKCN0YD050.

Storey, Ian. “Thailand’s Post-Coup Relations with China and America: More Beijing, Less Washington.” *ISEAS-Yusof Ishak Institute, Trends in Southeast Asia,* no. 20 (December 2015).

Suorsa, Olli. “Hedging against Over-dependence on U.S. security: Thailand and Philippines.” *S. Rajaratnam School of International Studies Commentary,* no. 317 (December 29, 2016).

Sutter, Robert G., Michael E. Brown, and Timothy J.A. Adamson, with Mike M. Mochizuki, and Deepa Ollapally. “Balancing Acts: The U.S. Rebalance and Asia-Pacific Stability.” *Elliot School of International Affairs, The George Washington University* (August 2013): 1–49.

Syailendra, Emirza. “The Coming Uncertainty: U.S.-Southeast Asia Relations in the Age of Trump,” *Fair Observer*. January 19, 2017. https://www.fairobserver.com/region/asia_pacific/united-states-southeast-asia-china-donald-trump-news-13007/.

Syarip, Rakhmat. “Responding to the Trans-Pacific Partnership (TPP): Comparative Study on International Trade Policy of Malaysia, Vietnam and Indonesia.” Master’s thesis, Ritsumeikan Asia Pacific University, 2015.

Tani, Shotaro. “Indonesia Has ‘Lost Interest’ in TPP without U.S., Vice President Says.” *Nikkei Asian Review*, June 5, 2017. https://asia.nikkei.com/Spotlight/The-Future-of-Asia-2017/Indonesia-has-lost-interest-in-TPP-without-US-vice-president-says.

Tay, Kelly, and Weilun Soon. “Despite Optimism over Historic TPP, Doubts Persist.” *Business Times*, October 7, 2015. http://www.businesstimes.com.sg/government-economy/despite-optimism-over-historic-tpp-doubts-persist.

Theparat, Chatrudee, and Phusadee Arunmas. “Thais ‘Ready to Join TPP.’” *Bangkok Post*, June 1, 2016, http://www.bangkokpost.com/print/996517/.

Third World Network. “Introduction.” Accessed August 1, 2017, https://www.twn.my/twnintro.htm.

Tomiyama, Atsushi. “Vietjet, FPT Announce U.S. Deals.” *Nikkei Asian Review*, June 2, 2017. https://asia.nikkei.com/Business/Deals/Vietjet-FPT-announce-US-deals.

Tow, William T. “U.S. Rebalancing: ASEAN and America’s Maritime Allies.” *ISEAS-Yusof Ishak Institute Perspective,* no. 10 (March 9, 2016): 1–12.

Tra, Mi. “Trump Hails Signing of Deals Worth ‘Billions’ with Vietnam.” VOA. May 31, 2017. https://www.voanews.com/a/trump-vietnam-trade-deals-white-house/3881732.html.

Tran, Van Hoa. “Can Vietnam Reform without the TPP?” *East Asia Forum*. June 8, 2017. http://www.eastasiaforum.org/2017/06/08/can-vietnam-reform-without-the-tpp/.

USAID. “Partnership for Growth (PFG).” January 25, 2017. https://www.usaid.gov/philippines/partnership-growth-pfg.

———. “The Philippines and TPP: Opportunities and Challenges.” March 17, 2016. http://pdf.usaid.gov/pdf_docs/PA00MBQJ.pdf.

U.S. Department of State. “Remarks with Philippine Foreign Secretary Albert del Rosario.” December 18, 2013. https://2009-2017.state.gov/secretary/remarks/2013/12/218835.htm.

Vietnam Leather and Footwear Association (Lefaso). “Vietnam Footwear Industry & the TPP.” May 2013. http://www.acuerdoscomerciales.gob.pe/images/stories/tpp/Room_A/8_Presentation.pdf.

Vo, Tri Thanh. “Vietnam’s Perspectives on Regional Economic Integration.” *Journal of Southeast Asian Economies* 32, no. 1 (2015): 106–124.

Wangkiat, Paritta. “TPP Opponents Voice Major Concerns.” *Bangkok Post.* November 23, 2015. http://www.bangkokpost.com/archive/tpp-opponents-voice-major-concerns/773528.

Wąsiński, Marek, and Damien Wnukowski. “Consequences of the U.S. Withdrawal from the Trans-Pacific Partnership.” *Polish Institute of International Affairs* 87, no. 3 (June 2017): 1–6.

Weatherbee, Donald E. “Understanding Jokowi’s Foreign Policy.” *Institute of Southeast Asian Studies Trends in Southeast Asia*, no. 12 (2016): 1–71.

Wee, Teck Young. “Trans-Pacific Partnership: The Demise of Our Enquiry?” Online Citizen. July 11, 2014. https://www.theonlinecitizen.com/2014/07/11/trans-pacific-partnership-the-demise-of-our-enquiry/.

The White House. “FACT SHEET: The United States in the Trans-Pacific Partnership.” November 12, 2011. https://obamawhitehouse.archives.gov/the-press-office/2011/11/12/fact-sheet-united-states-trans-pacific-partnership.

The White House. “Remarks by President Obama and President Aquino of the Republic of the Philippines after Bilateral Meeting.” November 17, 2015. https://obamawhitehouse.archives.gov/the-press-office/2015/11/17/remarks-president-obama-and-president-aquino-republic-philippines-after.

Williams, Brock R., Ben Dolven, Ian F. Fergusson, Mark E. Manyin, Michael F. Martin, and Wayne M. Morrison. *The Trans-Pacific Partnership: Strategic Implications* (CRS Report No. R44361) (Washington, DC: Congressional Research Service, 2016). https://www.hsdl.org/?view&did=790838.

Williamson, Todd. “Why Indonesia Joining the TPP Would Be a Good Thing.” *Diplomat*. December 5, 2015. http://thediplomat.com/2015/12/why-indonesia-joining-the-tpp-would-be-a-good-thing/.

Wilson, Jeffrey D. “Mega-Regional Trade Deals in the Asia-Pacific: Choosing between the TPP and RCEP?” *Journal of Contemporary Asia* 45, no. 2 (2015): 345–353.

Wipatayotin, Apinya and Arunmas, Phusadee. “Farmers Vow Protests if TPP Gets Nod.” *Bangkok Post*. April 28, 2016. http://www.bangkokpost.com/archive/farmers-vow-protests-if-tpp-gets-nod/950629.

Wiriyapong, Nareerat. “Trade Game-changer.” *Bangkok Post*. October 19, 2015. http://www.bangkokpost.com/archive/trade-game-changer/734480.

World Bank. “New Report Lays Out Path for Vietnam to Reach Upper-Middle-Income Status in 20 Years.” February 23, 2016. http://www.worldbank.org/en/news/press-release/2016/02/23/new-report-lays-out-path-for-vietnam-to-reach-upper-middle-income-status-in-20-years.

World Bank. “Trade (% of GDP).” Accessed July 1, 2017. http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS

World Bank. “Vietnam.” Accessed July 1, 2017. http://data.worldbank.org/country/vietnam?view=chart

World Bank, Global Eco Prospects. “Potential Implications of the Trans-Pacific Partnership.” January 2016. http://pubdocs.worldbank.org/en/287761451945044333/Global-Economic-Prospects-January-2016-Highlights-Trans-Pacific-Partnership.pdf.

World Bank in Vietnam. “Overview.” Accessed July 1, 2017. http://www.worldbank.org/en/country/vietnam/overview.

World Integrated Trade Solution. “Singapore Trade at a Glance: Most Recent Values.” Last accessed July 1, 2017. http://wits.worldbank.org/countrysnapshot/en/SGP.

World Trade Organization. “Trade Policy Review: Report by Indonesia.” March 6, 2013. https://www.wto.org/english/tratop_e/tpr_e/g278_e.pdf.

———. “Trade Policy Review: Report by Malaysia.” March 31, 2014. https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=123898,123743,123643,123644,121995,122030,100985,109385,106138,100718&CurrentCatalogueIdIndex=2&FullTextHash=&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True

———. “Trade Policy Review: Report by the Philippines.” January 30, 2012. https://www.wto.org/english/tratop_e/tpr_e/tp361_e.htm.

———. “Trade Policy Review: Report by the Secretariat, Indonesia.” July 16, 2013. https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=119017,118153&CurrentCatalogueIdIndex=1&FullTextHash=&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True.

———. “Trade Policy Review: Report by the Secretariat, Singapore.” November 9, 2016. https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=232542,229167,94584,59727,84635,92049,45060,24137,45367&CurrentCatalogueIdIndex=0&FullTextHash=&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True.

———. “Trade Policy Review: Report by the Secretariat, Thailand.” October 20, 2015. https://www.wto.org/english/tratop_e/tpr_e/s326_e.pdf.

———. “Trade Policy Review: Report by the Secretariat, Viet Nam.” November 4, 2013. https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=120527,118699&CurrentCatalogueIdIndex=0&FullTextHash=&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True.

———. “Trade Policy Review: Report by Singapore.” June 7, 2016. https://www.wto.org/english/tratop_e/tpr_e/g343_e.pdf.

——. “Trade Policy Review: Report by Thailand.” October 20, 2015. https://www.wto.org/english/tratop_e/tpr_e/g326_e.pdf.

Xinhua. “Thailand to Be Indirectly Affected in Trump’s Era: Experts.” January 22, 2017. http://news.xinhuanet.com/english/2017-01/22/c_136002663.htm.

Yaoshima, Ryohei, and Jun Yamazaki. “‘TPP 11’ Are Working to Save the Trade Deal, but Members Remain Far Apart.” *Nikkei Asian Review*, May 25, 2017. https://asia.nikkei.com/magazine/20170525/Politics-Economy/TPP-11-are-working-to-save-the-trade-deal-but-members-remain-far-apart.

Yoshimatsu, Hidetaka. “ASEAN and Evolving Power Relations in East Asia: Strategies and Constraints.” *Contemporary Politics* 18, no. 4 (2012): 400–415. doi: 10.1080/13569775.2012.728030.

Zha, Wen. “Personalized Foreign Policy Decision-making and Economic Dependence: A Comparative Study of Thailand and the Philippines’ China Policies.” *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* 37, no. 2 (August 2015): 242–268.

INITIAL DISTRIBUTION LIST

1. Defense Technical Information Center
   Ft. Belvoir, Virginia

2. Dudley Knox Library
   Naval Postgraduate School
   Monterey, California