

ASEAN's Contribution as an International Organization to Regional Economic Cooperation through Regional Comprehensive Economic Partnership (RCEP)

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ABSTRACT

The Association of Southeast Asian Nations (ASEAN) is a regional organization formed in 1967 to promote cooperation among countries in the Southeast Asian region. In 2020, ASEAN and five partner countries, namely, the People's Republic of China (PRC), South Korea, Japan, Australia and New Zealand, formed the Regional Comprehensive Economic Partnership (RCEP). RCEP is the world's most significant free trade agreement (FTA), aiming to increase Asia-Pacific trade and investment. This research discusses the role of ASEAN as an international organization in regional economic integration by implementing RCEP. This research uses a descriptive qualitative method based on Clive Archer's theory of international organization to analyze the role of international organization based on three leading indicators: Actor, Arena, and Instrument. This research shows that ASEAN actively strengthens regional economic integration, which is evident from its role as a policy designer, policy implementer, and conference forum provider.

Keywords: ASEAN, Regional Comprehensive Economic Partnership (RCEP), Economic Integration, International Organization.

INTRODUCTION

The *Association of Southeast Asian Nations* (ASEAN) was established on 8 August 1967 to maintain the stability of the Southeast Asian region, which was ratified through the Bangkok Declaration in Thailand. ASEAN was established by five countries: Indonesia, Malaysia, Thailand, Singapore, and the Philippines. In addition to maintaining the stability of the Southeast Asian region, ASEAN aims to carry out economic integration in improving regional competitiveness (ASEAN, n.d.). ASEAN has played an important role in Asian economic integration, signing six free trade agreements with other regional economies and helping lead negotiations that could become the world's most significant free trade pact. ASEAN comprises 10 Southeast Asian countries, including Brunei Darussalam, Indonesia, Cambodia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. Efforts to integrate ASEAN economies began with the establishment the ASEAN Free Trade Area (AFTA) in 1992. This initiative reduced tariffs among the first six ASEAN member countries (Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand) to 0 to 5 per cent by 2002 (Kedutaan Besar Republik Federal Jerman Jakarta, n.d.). ASEAN plays a vital in creating cooperation among its member states and is a regional organization that brings together Southeast Asian countries to

address economic, security, and political issues. Therefore, ASEAN initiated a regional economic agreement that is fair and mutually beneficial for ASEAN member states and FTA partners (ASEAN, 2016).

The Regional Comprehensive Economic Partnership (RCEP) is a free trade agreement involving 10 ASEAN member countries that began in early 2013 and was signed on 15 November 2020. To advance and mobilize the region's economic potential, RCEP was formed based on the concept of strategy through Free Trade Area (FTA) cooperation carried out by ASEAN with partners, namely China, South Korea, Japan, India, Australia, and New Zealand, but India withdrew from RCEP. The idea of RCEP was initiated when Indonesia chaired ASEAN in 2011 and was urged by several FTA partners, especially China and Japan. China and Japan wanted ASEAN to form an FTA that involved all partner members in creating a modern, efficient, comprehensive, and mutually beneficial economic partnership agreement for ASEAN member countries and ASEAN FTA partners based on the formation of RCEP negotiations. RCEP covers many areas, including trade in goods, services, investment, economic and technical cooperation, intellectual property, competition, dispute settlement, e-commerce, small and medium enterprises (SMEs) and other issues (ASEAN, 2016). Prior to the ratification of this agreement, ASEAN had entered into separate trade agreements with each RCEP member country, known as ASEAN+1 FTAs. The RCEP agreement also affects the increase of integration agreements from previous agreements (Singarimbun, 2022). This study will discuss how ASEAN's role as an international organization in conducting regional economic integration through the implementation of RCEP towards ASEAN member countries and FTAs.

LITERATURE REVIEW

In the research entitled '*ASEAN's Role in Regional Comprehensive Economic Partnership (RCEP) Formation to Enhance Regional Economics Integration*' (Adila & Suryadipura, 2023) the research discusses ASEAN's efforts in enhancing regional economic cooperation through its roles in assisting the RCEP ratification process and ASEAN's proactive role in regulating regional dynamics and its commitment in maintaining centrality, as well as its efforts in creating systematic economic cooperation. Using the role theory by Lisbeth Aggestam (Aggestam, 2006), which divides the concept of role into four indicators, namely role expectation, role conception, role performance and role set, this paper discusses ASEAN's role in shaping regional trade while fulfilling its role in promoting economic integration and equitable growth, especially in the Southeast Asian region. This paper uses a qualitative method, collecting data from books, journals, and other supporting data. In this research, the research gap found by the author is that the research focuses more on ASEAN's role as a proactive leader in shaping and running RCEP using the role theory by Lisbeth Aggestam. Meanwhile, the research conducted by the author focuses more on the role of ASEAN as an international organization in improving regional economic integration through the implementation of RCEP by using the theory of international organizations by Clive Archer.

The research entitled ‘*Japan and The Regional Comprehensive Economic Partnership*’ (OBA, 2022) explains Japan's strategy in the RCEP implementation process as an East Asian strategy developed by Japan in 1990. Japan initially focused only on global free trade; they realized they needed to liberalize trade and investment to improve their economic system. Thus, Japan began to prioritize FTAs both bilaterally and regionally. One is the cooperation between Japan and ASEAN countries through RCEP to strengthen the market and offset competition from other countries that want to enlarge their power in East Asia. In addition, through the development of RCEP, Japan also uses its role in strengthening its political economy influence in the Indo-Pacific region from exposure to an increasingly complex global world. So, it can be concluded that the research discusses Japan's role and involvement in forming RCEP through FTA cooperation as a form of proactive influence in its political economy in the Asian region. The research used qualitative and secondary data collection techniques through previous research journals. The research gap from the article focuses on Japan's role in the RCEP formation process and extends its proactive influence in improving its political and economic position in the Asian region.

To provide novelty for this research from previous ones, the research will only be focusing on ASEAN's role as an international organization in regional economic cooperation through the Regional Comprehensive Economic Partnership (RCEP). These roles will then be analyzed using Archer's theory of international organization, divided into three components: actors, instruments, and arenas.

Following the background, problem formulation, and theory presented previously, several main arguments will be discussed in this research. In this research, the authors found that ASEAN, as an international organization, has a role as an instrument, arena, and actor in conducting regional economic integration through its implementation of the RCEP programme. As an instrument, ASEAN plays a role in maintaining its position and influence for countries in the Southeast Asian region as a means of economic integration through the RCEP programme. Furthermore, in its role as an arena, ASEAN is tasked with providing a place/forum for RCEP members to gather for activities such as discussions and negotiations. In the last indicator, its role as an independent actor is realizing regional goals that will be achieved through the RCEP programme in strengthening its economy in the Asia Pacific region. This study aims to analyze the role of ASEAN as an organization in strengthening regional economic integration.

METHODS

Material

Clive Archer (2002) identifies the role of international organizations in three forms where international organizations act as instruments, arenas, and actors. Instruments become the initial basis for the role of international organizations in realizing the goals to be achieved by its members. This is because instruments can be tools an international

organization uses to achieve goals by managing global issues such as peace and international trade. Instruments are also a form of formal regulation that ensures the implementation of multilateral agreements and international norms and facilitators to facilitate international cooperation. The second role is arena, a forum that facilitates countries to discuss, negotiate and make decisions together. According to Hoffmann (1970) international organizations function as arenas where member states can strengthen their diplomatic influence. In addition, international organizations also act as arenas to find solutions to global problems and negotiate conflicts through peaceful resolution. The last role Clive (2002) identified is the role of international organizations as actors. This means that international organizations are independent on some global issues. International organizations as actors also emphasize that they are essential in navigating and advocating global issues through strong principles and stable decision-making systems.

Methods

This research uses descriptive research methods that aim to describe something in accordance with the reality that exists at the time of the research (Sriekaningsih & GS, 2020). The descriptive research method is a method that, in solving cases or problems, focuses on objectivity so that decision-making is not based on a particular point of view (Furchan, 2004). The authors collected secondary data through official websites and previous research journals in this study. The data analysis technique used in this study also uses qualitative research. According to (Bogdan & Biklen, 1997), qualitative research produces descriptive data from a particular event or situation according to a person's interpretation. Thus, this research uses descriptive qualitative methods to explain ASEAN's role as an international organization in realizing regional economic integration through RCEP implementation.

RESULT AND DISCUSSION

ASEAN's Role as an Instruments

Instruments are an essential component in the role of international organizations. The instrument component describes how international organizations are instruments or tools for their members to achieve a specific goal. In addition, international organizations also act as instruments of diplomacy and individual policies of member countries. In implementing RCEP, ASEAN as an international organization has various important roles, such as being a means of economic integration that helps its member countries achieve their respective economic goals through trade, investment and production infrastructure development. The establishment of RCEP in 2011 is one of ASEAN's instruments to enhance economic integration, especially in Southeast Asia. RCEP benefits the economies of the member countries and helps ASEAN maintain its centrality as an international organization (Petri & Plummer, 2013). After the ratification of RCEP, ASEAN began to play its role by holding discussions and negotiations on RCEP,

where in the forum, member countries will express their concerns and priorities related to the country's economy and regional economic integration.

In the forum, ASEAN acts as a mediator to ensure that the concerns and priorities of the members can be discussed and resolved (ASEAN, 2013). Another role of ASEAN is to coordinate cooperation among its members and RCEP partner countries. This can be seen from ASEAN's history as a host by providing facilities to hold Free Trade Agreements (FTA) with various countries to negotiate agreements. These FTA agreements involve both ASEAN member states and external trade partners, such as China, Japan, South Korea, Australia and New Zealand. ASEAN's role as an instrument can be seen through its efforts to coordinate agreements with countries participating in RCEP (ASEAN, 2012). With so many agreements in place, the trade agenda has to fulfil various regulations and adjust to certain conditions. ASEAN's role is to simplify and harmonize these regulations so that trade in RCEP becomes more efficient and prolonged in terms of economic growth and avoids the noodle bowl effect (Ishido & Fukunaga, 2012).

ASEAN's Role as an Arena

As an arena, an international organization provides a forum to convey actions through discussion, cooperation, debate, and statements of agreement/disagreement by members (Archer, 2002). As an international organization in the RCEP cooperation programme, ASEAN provides a gathering place for its members to discuss negotiations and cooperation in establishing and implementing the RCEP programme. Each member country of this programme has the right to express its vision, mission and interests in an arena/forum to support RCEP's goal of increasing trade in the Asia-Pacific region. In its role as an arena through establishing the RCEP programme, ASEAN held several meetings to conduct negotiations, discussions and cooperation to form the programmes that will be implemented. The first meeting to establish the RCEP programme took place in Bandar Seri Begawan, Brunei Darussalam, and was attended by ministerial representatives from member countries and ministerial representatives from partnership countries (ASEAN, 2013). The meeting, which took place on 19 August 2013, aimed to clarify and re-emphasize the objectives of establishing RCEP, which is a comprehensive cooperation to achieve a modern and mutually beneficial economy. The meeting also carried out an agenda to strengthen economic relations, as seen from the development of markets between participating countries, which reached US\$740.5 billion in total trade. Subsequently, the second ministerial meeting took place in August 2014 in Naypyitaw, Myanmar, which discussed the potential of RCEP and encouraged continuous engagement among all participating countries to achieve significant progress (ASEAN, 2014). Then, after the second ministerial meeting, ASEAN continued to clarify its role as an arena by conducting ongoing meetings with member countries and partner countries to discuss the RCEP programme's progress further.

In addition to the ministerial meeting, ASEAN, as an arena, also held a meeting of heads of state from RCEP participating countries. The first meeting was held during the 21st

ASEAN Summit in 2012 in Phnom Penh, Cambodia (ASEAN, 2012). During the meeting, the heads of state agreed to declare their commitment to realize the RCEP agreement, which aims to facilitate the expansion of regional investment and trade and contribute to global economic development. Then, at the next meeting in Kuala Lumpur, the heads of state reviewed the progress of RCEP negotiations in substantive negotiations on trade in goods and services and increased investment. The last head-of-state meeting was held in September 2016 in Laos, coinciding with the 29th ASEAN Summit meeting, which discussed the progress and achievements of negotiations and mutually beneficial economic cooperation in RCEP (ASEAN, 2016). In addition, the meeting also discussed the complexity of RCEP countries with different levels of economic development so that the heads of state are committed to finding the right way to overcome these complexities to achieve mutually beneficial, quality, and balanced results and sustainable progress.

ASEAN's Role as an Actor

ASEAN's ability as an actor is reflected in its success in establishing RCEP to strengthen economic partnerships. As an independent actor, ASEAN has successfully formed RCEP to realize regional goals collectively ahead of national agendas. However, ASEAN still acts as a leader `mediator that manages the negotiations to ensure the balance of interest between member countries and other RCEP partner countries. ASEAN asserts its role as an actor in forming RCEP through formal rules and benefits given to its partners in shaping regional trade dynamics. Although some RCEP partner countries have tremendous economic power, ASEAN remains the centre of decision-making and directing the RCEP framework (Secretariat, 2012). The negotiation process for establishing RCEP took approximately a decade, which shows the complexity of the negotiation process until finally creating a decision. This is where ASEAN plays a role as an actor that seeks to involve every party and ensure all RCEP members' interests are reflected in the policy (Singarimbun, 2022). In addition, ASEAN's role as an actor is strengthened by fulfilling capabilities to carry out the main instruments that facilitate the continuity and creation of RCEP objectives.

This can be seen from its performance in regulating trade standards, facilitating economic cooperation, and setting up dispute settlement mechanisms. RCEP also established the RCEP Joint Committee and several other committees to implement the agreement (Secretariat, 2012). The success of ASEAN as an actor in the formation of RCEP is also seen in its influence on the behaviour of its members. The RCEP program's implementation impacts its partner countries' economic policies. For example, Indonesia, one of the countries that ratified the RCEP agreement, is encouraged to increase its influence on global trade, giving it an outward-oriented and more open policy (Plus, 2022). Similarly, other member countries have committed to reducing tariffs and facilitating trade relations between partner countries. Each country's policy direction change aligns with the goal of economic integration in the ASEAN region (Medina, 2022). This proves the growing influence of ASEAN, not only among its member countries but also in the global economic system.

CONCLUSION

ASEAN plays an essential role in the economic integration of the Southeast Asian region, mainly through the establishment of RCEP. As an instrument, ASEAN helps its member countries achieve economic goals through trade and investment and maintains its centrality in the regional economic framework. In addition, ASEAN also acts as an arena where it provides a forum or venue for its member countries to negotiate and discuss important issues related to RCEP. As an actor, ASEAN leads and manages RCEP negotiations by ensuring the balance of interests between member states and external partners, such as China, Japan, South Korea, Australia and New Zealand. The establishment of RCEP reflects ASEAN's success in facilitating regional trade and providing a formal framework for continued economic collaboration. As a mediator and facilitator, ASEAN continues to promote sustainable regional economic growth, address the complexity of development differences between countries, and ensure that regional interests are reflected in every policy. From the research results obtained, researchers' limitations include the need for more data, which can only be obtained through journals, books, and websites. In addition, this research focuses too much on general matters, namely the role of ASEAN through RCEP, which can be more focused on the impact of RCEP on specific sectors or member countries.

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