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WITH TPP, THE UNITED STATES ADVANCES ON THE MIDDLE CHESSBOARD

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In his 2003 book, *The Paradox of American Power*, Joseph Nye described international power politics as a competition played on a three-dimensional chessboard. Military might was on the top tier, economic power in the middle, and transnational relations among nongovernment actors on the bottom. Nye noted that in contrast to the top layer, where the United States still dominated, the economic level was more contested and required Washington to bargain with Europe, China, and other major economies. By completing a Trans-Pacific Partnership (TPP) trade deal this month, Washington advanced its queen and declared “check” on the middle chessboard.

A dozen years after Nye presented his thesis, successful economic statecraft has never been more important for the U.S. position in the global power game. The United States remains preeminent on the top chessboard, but others are making advances. Chinese military spending is growing by double digits every year, and Beijing is clearly determined to assert more power in its near abroad. Even a declining Russia has shown in Ukraine and Syria that it retains formidable military capabilities and is prepared to use them to challenge U.S. influence.

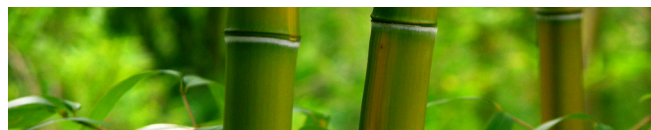
The United States still has formidable assets on the bottom chessboard, including a vibrant civil society and soft-power tools such as first-rate universities and an appealing popular culture. But this level has also become more crowded, with nonstate actors from multinational corporations and development organizations to terrorists and hackers playing a more active role in international affairs.

In the economic arena, Nye was writing at a time when the advanced industrialized nations of North America, Europe, and Japan still accounted for two-thirds of global production. In less than a decade, China would skyrocket to number two in the world economic rankings, and Brazil and India would join the top 10. These emerging countries have understandably insisted on a greater voice in global economic governance. Moreover, since Xi Jinping took over as China’s leader in 2013, Beijing has started using its new economic clout to challenge U.S. and Japanese primacy in the Asia-Pacific region, establishing an Asian Infrastructure Investment Bank (AIIB) and launching an ambitious “*One Belt, One Road*” initiative to reconnect old trading routes on the Eurasian landmass and in maritime Asia.

The United States cannot—and should not—compete with China by throwing hundreds of billions of dollars at infrastructure investment in Asia. Congress will not authorize such massive spending, which in any case would be difficult to spend wisely given the **practical challenges of infrastructure investment in the region**. Indeed, many of Beijing’s initiatives may turn out to be paper tigers; it is unclear how much of the headline commitments under the AIIB and One Belt, One Road will actually be spent or what kind of return—financial or political—Beijing will get on its investments.

But Chinese largesse will be hard for other countries to walk away from. Some of the roads and ports Beijing is promising will be built, in ways that could challenge U.S. commercial and strategic interests. Washington needs to offer something compelling in return if it wants to advance its interests and ensure that China’s initiatives support an open, rules-based order. The key is to create incentives for others to follow the U.S. lead in rule making and norm setting.

This is where TPP comes in. **The economic benefits of this month’s deal will be significant**. But the strategic power of TPP lies in its incentive effect. It began in 2008 as a negotiation between the United States and four small, open Asia-Pacific countries (Singapore,



Upcoming Events

- October 26–29: Fifth Plenary Session of the 18th CPC Central Committee (Beijing)
- October 29: **Preparing for the G20 Summit (CSIS)**
- November 15–16: G20 Leaders’ Summit (Antalya)

Recent TPP Analysis

- Critical Questions: “**The Trans-Pacific Partnership Negotiations Conclude**”
- Commentary: “**United States and Japan Finally Exorcise Trade Ghosts**”
- Podcast: “**TPP Deal & Park’s White House Visit**”

WITH TPP, THE UNITED STATES ADVANCES ON THE MIDDLE CHESSBOARD *(continued)*

Brunei, New Zealand, and Chile), then gradually pulled in four trillion-dollar-plus economies (Australia, Canada, Mexico, and Japan) and three smaller emerging ones (Vietnam, Malaysia, and Peru). Despite their political and economic diversity, these countries were drawn in by the prospect of a huge tariff-free zone and high-standard rules that would create a more frictionless and predictable climate for trade and investment across the region. These rules would also help drive difficult but needed economic reforms at home. Japan, for example, wanted support for an overhaul of its agriculture sector; Vietnam wanted to discipline its bloated state-owned enterprises.

TPP is also exerting a gravitational pull on nonparticipating countries in the region. South Korea, the Philippines, Taiwan, and Indonesia have all expressed interest in joining the partnership in a second round. China is now having a serious internal debate about whether it should join TPP; the new head of the AIIB publicly stated his support during a [visit to Washington this month](#).

Only the United States (supported by partners like Japan, Australia, and Singapore) could have pulled off a complex, high-standard deal like TPP. To be sure, it helps to have the world's largest market, as well as technology and capital, to which others want continued access. But Washington also has unique convening power in international affairs and—despite political dysfunction at home—enduring moral authority as champion of an open, rules-based order. For all its newfound wealth and willingness to share it with its neighbors on easy terms, Beijing is still far from having the ability to “attract or co-opt” others to follow it, [as Nye put it in his work on soft power](#).

Of course, Washington cannot rest on its TPP laurels. To begin with, the deal needs to be ratified by the U.S. Congress and other national legislatures. The debate in Washington is already noisy, and the Obama administration's plan to get the deal passed by next spring may prove optimistic. But whether later in 2016 or at the start of a new administration, TPP is likely to be ratified eventually; it is unthinkable that Congress would walk away from [the many hard-won gains in the agreement](#).

The next step will be to entice other countries in the Asia-Pacific region—including China—to join TPP or a broader regional trade agreement that builds on the new deal's high standards. Washington then needs to develop a broader strategy deploying the full array of economic tools—finance, development, energy, etc.—that creates incentives for others to follow the U.S. lead. As mentioned here last month, CSIS will be working over the next year [to design such a comprehensive Asian economic strategy for the next administration](#).

By brokering a TPP deal against the odds and most predictions, the United States has significantly advanced its position on the middle chessboard of global economic competition. But the game goes on. Washington needs to capitalize on its improved position by finding other ways to incentivize its partners and competitors to follow it in updating and upholding the rules-based order.

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Simon Says...

Chess may be an appropriate metaphor for international power politics, but Simon was surprised to learn how often the cerebral game provides the setting for Hollywood films: as many as 33 listings in the first Google entry under “chess movies.” The latest offering is [Pawn Sacrifice](#), released last month and starring Tobey Maguire as quirky American grandmaster Bobby Fischer, who played a small part—call him a “pawn”—in the Cold War by defeating Soviet champion Boris Spassky in the 1972 World Championship. Given his comfort with vertical acrobatics in his earlier role as Spider-Man, Maguire might be a good candidate to play the lead if Joe Nye's 3D chessboard ever makes it to the big screen.■

U.S. trade representative Michael Froman famously took a break from the final round of TPP negotiations early this month to visit a [mattress factory in Atlanta](#). The ostensible purpose of the outing was to highlight the benefits TPP would bring to small and medium-sized enterprises like Colgate Mattress. The 60-year-old, family-owned firm employs 30 people and exports baby and children's mattresses to Canada and Latin America but has faced increased competition in recent years from Chinese imports. No doubt touting TPP was on Froman's mind, but given his later admission that he had slept only eight hours over the final five days of negotiations, Simon wonders whether the indomitable trade representative was hoping to try out one of the mattresses himself.■