

**ABSTRACT OF THE DISSERTATION**  
**China, India and Japan in the Regional Comprehensive Economic  
Partnership (RCEP) Formation: Potentials and Challenges**

by

**Ranti Yulia Wardani**

**International University of Japan, 2020**

**Professor Nawalage S. Cooray, Supervisor**

The negotiation process of the Regional Comprehensive Economic Partnership (RCEP) has been challenging for its participating countries, who have sought to find compromise and consensus despite their many different interests. While some scholars have studied the RCEP negotiation, there has been no detailed exploration of how domestic interests influence leaders' positions on the RCEP deal. Furthermore, while many studies have examined the economic implications of the RCEP trade deal with various analyses and methods, no study has explored the saving potential of a free trade agreement (FTA) focusing on China, India, and Japan. The objectives of this research are to examine the interests of these three major countries in the negotiation of the RCEP, to assess the saving potentials of FTA using ex-ante analysis and to forecast the saving potential for China, India, and Japan. The saving potential results show potential gains for China, India, and Japan from an FTA with Japan having the most significant saving potential. The saving potential is empirical grounding research that supports the neoliberalism theory as part of the substantial contribution of this dissertation in the field of international relations study. Classical realists have emphasized on rivalries among major power countries in the RCEP formation and have highlighted who gain the most benefit and how much in the RCEP. Rivalries over trade between China and India has become the hardest challenge for RCEP formation to reach balance agreement between them. China and Japan decided to stay within the RCEP formation, while India opted to leave it. The many different interests deriving from the domestic voices in each country led to a tough compromise process in which domestic interests influenced leaders' decisions. Neoclassical realism emphasises the impact of distribution power at the global level system on foreign policy through elite perceive and domestic constraints. The RCEP formation has been explored through linkage politics that focus on the national-international linkages. It shows that there is a strong influence of domestic interests on leaders' decisions in the RCEP formation. The constraints of domestic level influence on the boundary of political options that take into consideration the complexities of international politics realm in the RCEP mega trade deal. This dissertation also draws on neoliberal institutionalism theory, which emphasises the importance of shared interests for international cooperation. The existence of common interests, namely economic integration, economic development and strengthening economic cooperation, has become a fundamental element for the conclusion of the RCEP.